


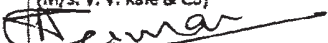


**ABG****FORM A**

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company:	Western India Shipyard Limited
2.	Annual financial statements for the year ended:	31st March, 2013.
3.	Type of Audit observation (Un-qualified / matter of emphasis)	Un-qualified.
4.	Frequency of observation: Whether appeared first time /repetitive/ since how long period:	Not Applicable.
5.	To be signed by:	
	1. CEO/Whole Time Director	 (Cdr. S. K. Mufreja)
	2. Chief Financial Officer	 (Shri. S. Muthuswamy)
	3. Auditor of the Company	 (M/s. V. V. Kale & Co)
	4. Audit Committee Chairman	 (Shri. Ashwani Kumar)



**WESTERN INDIA SHIPYARD LTD.**  
Ship Repairs with Global Competence



Reg. Off. & Shipyards: P. O. Box No. 21, Mormugao Harbour, Goa 403 603 INDIA. Tel: + 91 - 932 - 2520252 to 57. Fax: + 91 - 832 - 2520258, 2520264  
e-mail: commercial@wisl.co.in Website: www.wisl.co.in

# Western India Shipyard Ltd.

(ABG GROUP COMPANY)

21ST ANNUAL REPORT 2012-2013



INDIA'S LARGEST COMPOSITE SHIPREPAIR FACILITY

AN ISO 9001: 2008 COMPANY



**Board of Directors**

Shri. Ashwani Kumar

Shri. Ashok R. Chitnis

Shri. R. S. Nakra  
(Upto 29.11.2012)Shri. Ashok Kumar Agarwal  
(From 24.05.2013)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**Financial Institutions & Banks**ICICI Bank Limited  
IFCI Limited**Regd. Office & Shipyard**P. B. No. 21,  
Mormugao Harbour,  
Mormugao, Goa - 403 803  
Phone: 91 832 2520252-57.  
Fax: 91 832 2520258.  
E-mail: [investors@wisl.co.in](mailto:investors@wisl.co.in)  
Website: [www.wisl.co.in](http://www.wisl.co.in)**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](mailto:mt.helpdesk@linkintime.co.in)**Contents****Page No.**

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## NOTICE

Notice is hereby given that the **21st 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 **Saturday, 21st day of September, 2013** at 11.00 a.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Ashwani Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

**“RESOLVED** that pursuant to Sections 224 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 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. 9,00,000/- in connection with the audit of the Company for the year ended March 31, 2014 plus service tax and out of pocket expenses on actual basis.”

### SPECIAL BUSINESS:

4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED that** Shri. Ashok Kumar Agarwal, who was appointed as an Additional Director of the Company by the Board of Directors of the Company, who holds office upto the date of the ensuing Annual General meeting and who is eligible for appointment as a director, in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of director, 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 as a **Special Resolution**:

**“RESOLVED that** pursuant to Sections 198, 267, 268, 269, 309, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to the approval of Central Government, if required, the approval of the members, be and is hereby accorded for the re-appointment of Cdr. Subhash Kumar Mutreja (Retd), Whole Time Director & Chief Executive Officer of the Company for a term of three (3) years w.e.f. 17.07.2013 on the following terms and conditions, including remuneration of Rs. 5,25,050/- per month (Annual CTC of Rs. 63,00,600/-), in the following manner:

1. Salary: Rs. 1,80,000/- per month.
2. 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. He shall also be entitled to Additional HRA/House Upkeep Re-imbursement of Rs. 22,000/- per month (at Actual upto a limit of Rs. 25,000/-).
3. Ex-gratia: Rs. 22,500/- per month.
4. Cafeteria reimbursement upto a limit of Rs. 1,44,200/- per month (at actuals).
5. 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.
- (iv) The total value of the perquisites shall not exceed Rs. 45,350/- per month.
- 6. The Company shall reimburse to the Whole Time Director & CEO the traveling and entertainment expenses and other expenses incurred by him for the business of the Company.
- 7. The Whole Time Director & CEO shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.
- 8. The Company shall have right to terminate the agreement by one (1) months' notice or salary in lieu of notice.
- 9. In the event of loss or inadequacy of profits in any financial year, the remuneration by way of salary and perquisites payable to the Whole Time Director & CEO shall not exceed the limits fixed under the provisions of the Companies Act, 1956.

**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 Order of the Board  
For Western India Shipyard Limited  
Sd/-  
J. C. F. Sequeira  
V. P. (Corp. Affairs)  
& Company Secretary

Date: 24<sup>th</sup> May, 2013  
Place: Mormugao, Goa

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING COMMENCES.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **16.09.2013 to 21.09.2013** (both days inclusive) to enable the Company to ascertain the members eligible to attend and vote at the ensuing AGM.
3. The details of directors proposed to be re-appointed at the AGM in terms of clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto.
4. The members holding demat accounts are requested to inform their email addresses to their Depository Participants (DPs) as the Company has implemented the "Green Initiative in Corporate Governance" as per Circular No. **18/2011** dated: 29.4.2011 issued by the Ministry of Corporate Affairs, permitting the electronic delivery of notices/ annual reports and documents to shareholders.
5. Members holding shares in physical form are requested to send their change of address, to the Company quoting their folio number.
6. Members are requested to note that the Company's equity shares are under compulsory demat trading subject to the provisions of SEBI Circular No. 21/99 dated 08.07.1999. Hence, members are requested to dematerialize their shares if not done so, to avoid inconvenience.
7. Corporate members who intend to attend the AGM, are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote at the meeting on their behalf.



8. The Company's Annual Report circulated to the members of the Company will be made available on the Company's website at [www.wisl.co.in](http://www.wisl.co.in).
9. Members are requested to avail of the nomination facility under sec. 109A of the Companies Act, 1956.

## EXPLANATORY STATEMENT

### The Explanatory Statement u/s. 173 (2) of the Companies Act, 1956

#### **Item No. 4: Appointment of Shri Ashok Kumar Agarwal as Director**

Shri. A. K. Agarwal has been appointed as an Additional Director of the Company at the Board meeting held on 24.05.2013. He will retire at the ensuing Annual General Meeting of the Company. Your Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 indicating his intention to propose the appointment of Shri. A. K. Agarwal as Director of the Company. Shri. A. K. Agarwal has a B.E. (Mech) degree with expert and specialized knowledge and experience as Head (Offshore Works) with ONGC in Oil & Gas exploration & production, Management & Logistics. Your Directors recommend his appointment.

#### **Item No. 5. Re-appointment of Cdr. S. K. Mutreja (Retd.) as Whole Time Director & CEO**

The term of office of Cdr. Subhash Kumar Mutreja (Retd.) will come to an end on 16.07.2013. He has been re-appointed as the Whole Time Director and Chief Executive Officer of the Company for a term of three (3) years. Cdr. Mutreja (Retd.) had over 45 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 of the Company is as under:

#### **1. Nature of the Ship Repair Industry :**

The Ship Repair Industry caters to the Shipping Industry consisting of Indian & foreign vessels like the Indian Navy, Coast Guard, dredgers, passenger vessels, cargo vessels, tankers, offshore support vessels, port craft & Oil Rigs. The Company caters to repair of older vessels which require periodical maintenance in dry dock & wet repair facilities of the Company at Mormugao Harbour, Goa on the west coast of India.

#### **2. Financial Performance:**

The financial performances of your Company over the last 3 years is as under:

Year	Turnover (Rs. in lacs)	Net Profit/ (loss) (Rs. in lacs)
2010-11	9471.73	1534.48
2011-12	8968.66	1222.42
2012-13	7853.30	(981.73)

#### **Personal information:**

Cdr. S. K. Mutreja (I.N Retd.) was born on 24.09.1946 at Muzafargarh (Punjab). He served the Indian Navy and held the post of Commander (I. N.) at the time of leaving service. Cdr. Mutreja has a B.E (Mech.) degree with expert and specialized knowledge in the field of his profession. He has undergone extensive courses in ISO 9000 quality systems, Shipyard Management, Production Planning and Control. He is 67 years with 45 years of experience in the Indian Navy and in the public and private sector. His last employment was in ABG Shipyard Limited. He joined WISL as Whole Time Director and CEO on 17.07.2007 and has been in continuous service in the Company. His annual remuneration for FY 2012-13 is Rs. 63,00,600/-, which was approved by the shareholders at the general body meeting. His remuneration 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. He is not having any direct or indirect interest in the share capital of the Company or its holding Company or through any other statutory structures at any time before the date of appointment.

The Board recommends the re-appointment of Cdr. S. K. Mutreja (Retd.) as a Whole Time Director & CEO of the Company for further term of three (3) years w.e.f. 17.07.2013 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 and the Board on 24.05.2013 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.

By Order of the Board  
For Western India Shipyard Limited  
Sd/-  
J. C. F. Sequeira  
V. P. (Corp. Affairs)  
& Company Secretary

Date: 24<sup>th</sup> May, 2013  
Place: Mormugao, Goa

## **ANNEXURE**

**Directors seeking appointment/re-appointment in the 21st Annual General Meeting pursuant to Clause 49 (G) (I) of the BSE Listing Agreement:**

<b>Name of Director</b>	<b>Shri. Ashwani Kumar</b>	<b>Shri. Ashok Kumar Agarwal</b>
Date of Birth	15.08.1948	16.05.1950
Date of Appt./Re-appt.as Director	25.09.2010	24.05.2013
Qualification	Post Graduate in Political Science from Allahabad University.	B.E. (Mech.)
Experience & Expertise in Specific functional area	35 years of experience with Indian Revenue Service. Retired as Chief Commissioner of Income Tax.	Retired as Head (Offshore Works), ONGC with experience in Oil & Gas exploration, production, management & logistics.
Directorships held in other Companies	ABG Shipyard Limited J. Kumar Infraprojects Limited	ABG Shipyard Limited ABG Solar Projects Pvt. Ltd ABG Energy Ltd ABG Energy (M.P.) Ltd ABG Energy Himachal Pradesh Ltd. PFS Shipping (India) Ltd. ABG Anchor Marine (India) Pvt. Ltd. AKB Offshore Consultancy LLP
Committee positions held in other Companies	Audit Committee & Compensation Committee of ABG Shipyard Limited	Nil
No. of Shares held in WISL	NIL	Nil



## DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their 21<sup>st</sup> Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2013.

### 1. Financial highlights

Particulars	31.03.2013 (Rs. In Lacs)	31.03.2012 (Rs. In Lacs)
Sales and other Income (*)	7,853.27	14,185.42
Profit before Depreciation, Tax & Finance Cost	1,276.14	3,133.39
Less: Finance cost	1,249.26	1,113.20
Profit before Depreciation & Tax	26.88	2,020.19
Less: Depreciation	1,314.64	1,046.76
Profit before Tax	(1,287.75)	973.43
Less: Provision for Taxation		
Provision for MAT	-	258.66
Tax adjustments for earlier years	4.36	-
MAT credit entitlement	(6.09)	252.00
Net Profit / (Loss) after tax	(1,298.20)	966.77
Prior period expenses	(11.48)	(255.65)
Exceptional items	(305.00)	-
Net Profit / (Loss) for the year	(981.72)	1,222.42

### 2. Operations

The Financial year 2012-13 was a difficult year which saw restrictions by the State & Central Government and the Apex Court on mining operations in Goa. This affected the Iron Ore Mining Industry in Goa which came to a complete halt and affected the transport operations of barges and transhippers. There was also a reduction in vessels seeking shiprepairs at Mormugao due to recession in shipping and outbound cargo. The number of vessels visiting the Port therefore decreased during the year. Despite these constraints, your Company has repaired 12 vessels during the year and achieved a total revenue of Rs. 7853.30 lacs as against Rs. 14,185.42 lacs in the previous year, a decrease of 44.64%. There was a net loss of Rs. 981.73 lacs for the year as against a net profit after tax of Rs. 1222.42 lacs in the previous year. There was also severe recession in the Shipping Industry with fleet owners deferring the shiprepair business.

### 3. Dividend

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

### 4. Future Outlook

The Global Shipbuilding and Ship repair Industry is growing at a compounded annual growth rate (CAGR) of about 24 per cent and is likely to reach Rs. 14 lakh crore by 2015 owing to rising global sea borne trade. Against this, the Indian Shipbuilding and Ship repair industry is growing at a CAGR of about 8 per cent and is likely to reach Rs. 9,200 crore from the current level of just over Rs. 7,310 crore [Source: ASSOCHAM Study Report].

The Central Government has encouraged about 35 registered Shiprepair Units with incentives and concessions like exemptions from customs and central excise duty in view of the huge potential of the Shiprepair Industry which offer shiprepair and maintenance services to Indian and foreign vessels and oil rigs along the east and west coast of India.

The Indian Shipping Industry continues to be the world's most efficient and cheapest means of transportation along 7517 km of coastline with about 200 ports spread over the east and west coast of India. About 95% of India's trade by volume and 70% by value are transported by sea. The Baltic Dry Index (BDI) which is a leading indicator of global shipping economic activity shows the nominal rise in the daily weighted average of prices for shipping bulk dry cargo such as iron ore, coal and grain for smaller size vessels namely, Handymax, Supramax & Panamax. During the year, the BDI fell by about 22% to 910 points as on 31.03.2013 showing a recession in the Shipping Industry.

The size of the Indian merchant shipping fleet is about 1164 vessels of 14.95 mn DWT (10.22 mn GT) as of 31.03.2013 [D.G. Shipping first quarterly report 2013] consisting of 806 coastal vessels and 358 overseas vessels of Indian flag. Coastal Trade continues to be one of the main areas of concern in the Shipping Industry. However, the percentage share in coastal traffic is only 8% considering the tonnage /km basis where petroleum, coal and cement form a major part of the cargoes carried by them. Very little container cargo is moved along the coast, though there is huge potential. The reasons for this are high port tariffs, poor berth availability, non-availability of long term finance, high operating costs, poor hinterland connectivity for domestic cargo like physical infrastructure in the form of Container Freight Stations (CFSs), Inland Container Depots (ICDs), Private Freight Terminals (PFTs) and logistic parks with storage, warehousing and transport facilities. Hence Major Ports need to have dedicated berths for coastal vessels and minor ports should encourage greater coastal traffic [Source: Hauer Associates Report prepared for CII]

The Port infrastructure continues to face several challenges such as capacity constraint, lack of hinterland connectivity, inefficiency in operations, procedural delays and labour problems. On the regulatory front, is that of port tariff fixation by Tariff Authority for Major Ports (TAMP), which is not applicable to minor ports. This has forced investors to shift business from Major Ports to minor ports, defeating the very objective of major ports of creating efficient infrastructure through private participation. The major ports need to improve port technology, productivity and quality of services to Port users [Source: Dun & Bradstreet review].

The Mormugao Port Trust (MoPT) has no shipyard yard for repair of ocean going vessels. Therefore the port has entered into a 25 year license agreement with WISL to render shiprepair and shipbuilding in the Port area. WISL supplements the Port earnings by way of annual license fees, hire of port water area and port services like tugs and pilots for vessel movements. The port cargo traffic at the Mormugao Port has been severely affected during the year by an embargo on iron ore exports. The import/export cargo therefore declined by about 21%.

### **The Maritime Agenda 2010-20**

The Maritime Agenda 2010-20 was released by the Ministry of Shipping, in January, 2011. It will have a significant long term impact on the Indian Maritime Industry as it seeks to improve the facilities for the 12 major ports and 187 minor ports in India, especially through massive investment of Rs. 2,87,000 crore through the PPP route to ensure higher growth in sea bourn traffic at ports. The agenda also seeks to increase the drafts in major ports to not less than 14 metres to cater to the larger vessels.

However, the proposal for shipbuilding subsidy and the grant of Infrastructure Industry status to Shipbuilders and Shiprepair units needs to be implemented on priority basis as proposed by the Maritime Agenda. Such subsidy will reduce the high costs of capital goods, raw materials, consumables and spares, alongwith duties and taxes which create a significant price disparity of about 50% in building a ship in India, as compared with China, Korea and Japan. When the subsidy scheme was in force, India was a recognised shipbuilding destination and India's share of the global shipbuilding industry had expanded rapidly from less than 0.1% in 2002 to 1.3% by 2007. But after 2007, when the subsidy was discontinued, India's share in new orders has progressively declined to 0.04% in 2011. The Maritime Agenda has set an ambitious target of 5% as India's share in the global shipbuilding market by 2020. Hence the Central Government needs to announce and implement a firm policy to enable a large number of shipbuilding and shiprepair proposals to be implemented.

The Ministry of Shipping has proposed a measure of relief to the Shipbuilding industry in the Budget 2013 by

exempting ships and vessels from excise duty. Consequently, there will be no countervailing duty on imported ships and vessels. The introduction of the "Indian Ports (Consolidated) Act, 2010" in place of the Indian Ports Act, 1908 and the Major Ports Act, 1963, with a view to simplify and streamline ports regulations in India covering 200 major and non-major ports, is another welcome step for the Maritime Industry. The new Act will replace TAMP by the Port Regulatory Authority and corporatize Port Trusts. This is a welcome step for the Trade and Industry. The Central Government has withdrawn the service tax exemption to ship repairers in the ports. As per the Negative List w.e.f. 01.07.2012, exemption is granted only for repair of government vessels like Navy and Coast Guard. The Shipyard Association of India has represented for the restoration of service tax exemption to ship repairers in ports and a favorable decision is awaited.

## **5. Directors**

During the year, Shri. R. S. Nakra resigned from the Board and its Committees. The Board placed on record its sincere appreciation for the services rendered by Shri. Nakra during his tenure on the Board and its committees.

Shri. Ashok Kumar Agarwal joined the Board as additional director in May, 2013. Shri. Ashwani Kumar retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment as director.

The term of office of Cdr. S. K. Mutreja (Retd.), Whole Time Director & Chief Executive Officer of the Company, ends on 16.07.2013. He is eligible for re-appointment at the ensuing AGM. They are not disqualified as per the provisions of Section 274 (1) (g) of the Companies Act, 1956. The Board recommends their re-appointment.

## **6. Directors' Responsibility Statement**

As required by sub-sec. 217 (2AA) of the Companies Act, 1956 your Directors state:

- (a) that in the preparation of the annual accounts for the year ended 31st March 2013, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (b) that the directors have selected such accounting policies in consultation with the statutory auditors, 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) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the company, and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis.

## **7. Auditors**

M/s. V. V. Kale & Co., Chartered Accountants, Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The auditors consent u/s. 224 (1B) of the Companies Act, 1956 has been received for their re-appointment. The Board recommends their re-appointment as set out in the notice.

## **8. Deposits**

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

## **9. Statutory Disclosures**

- (a) The information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as 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 'A' to this report.
- (b) The Corporate Governance Report, in terms of Clause 49 of the Listing Agreement with the Stock

Exchange, is given in Annexure 'B'

- (c) The Management Discussion and Analysis Report in terms of Clause 49 of the Listing Agreement with the Stock Exchange, is given in Annexure 'C'.
- (d) The information relating to employees of the Company who are in receipt of remuneration of more than 60 lacs per annum or more than 5 lacs for part of the year, as required under sub-sec. (2A) of Sec. 217 of the Companies Act, 1956 & the Companies (Particulars of Employees) Rules, 1975 as amended, is furnished at Annexure 'D'.

## 10. Industrial Relations

The Company has signed a wage settlement with the workers' union covering the period from 01.10.2009 to 30.09.2013. The Company has introduced a Voluntary Retirement Scheme for its employees for rationalization of its workforce. The Company enjoyed cordial industrial relations at its shipyard during the year.

## 11. Corporate Social Responsibility ('CSR')

- (a) Environmental Protection, Health and Safety:

Your Company has concern for the environment and ensures compliance with all the environment protection and pollution control laws applicable. Your Company also views the health and safety of employees at its shipyard as very important and has issued safety booklets, conducted safety and first aid training programs and ensures supervision at all levels as per the Factories Act, 1948 and rules. Your Company places importance on maintaining hygiene at the work place with regular medical examinations of employees. Your Company has covered its employees under the Company's mediclaim insurance scheme for cashless treatment at local hospitals.

- (b) Your Management has a calendar of actions towards its commitment to Corporate Social Responsibility to encourage its employees at all levels to participate in schemes directed at health and welfare of small local communities. Some of the important CSR Programs implemented during the year are as under:

- (i) National Fire Week was held from 14.04.2012 to 20.04.2012 with display of live fire drill & fire-fighting equipment.
- (ii) Legal Literacy Day/ International Labour Day was held on 11.05.2012.
- (iii) Women's Health Day was held on 28.05.2012.
- (iv) No Tobacco Day was held on 31.05.2012.
- (v) World Blood Donors Day was held on 14.06.2012.
- (vi) International Day Against Drugs Abuse was held on 26.06.2012.
- (vii) World Population Day was held on 11.07.2012.
- (viii) Educational Series by Wockhart Hospital was held for ESIC beneficiaries on 24.08.2012.
- (ix) World Arthritis Day was held on 12.10.2012.
- (x) International Women's Day was held on 08.02.2013.
- (xi) Safety Week was held from 04.03.2013 to 10.03.2013 for firefighting & safety awareness.

## 12. Acknowledgements:

Your Directors place on record their sincere appreciation for the assistance and co-operation received from the Ministry of Shipping, Mormugao Port Trust, Goa Government, Bankers, vendors, classification societies & other stakeholders whose continued support has enabled the Company to achieve higher goals. Your Directors place on record their sincere appreciation of the support and patronage by ABG Shipyard Limited and the contributions made by the employees of the Company. The Company also thanks the investors for reposing faith in the Company.

For & on behalf of the Board of Directors  
Sd/-

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

Place: Mormugao, Goa  
Date: 24<sup>th</sup> May, 2013

**ANNEXURE 'A' 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 taken:**

The Company has been laying continuous emphasis on the conservation of energy and has taken several measures including regular monitoring of consumption, reduction of transmission losses and improved maintenance of systems. Some of the significant projects implemented on a continuous basis are:

- Reduction of contract demand from 3000 KVA to 1500 KVA.
- Installation of solar power lamps in the shipyard to improve illumination at night and save electrical power.
- Using MIG welding machines/process and energy savers /inverters in place of rectifiers to reduce power consumption and improve welding quality.
- Relocating air compressors at places where needed to reduce transmission leakage and obtain constant pressure during blasting & painting operations.
- Constant monitoring energy efficiency at Power Load Factor of 0.87.
- Minimizing idle running of equipment like gensets, pumps, acs, lights & machinery.
- Implemented CNC cutting machine, beveling machines, Co2 gas welding machines and use of ceramic backing strips in welding process to reduce power/gas consumption.

**(b) Additional investments and proposals for reduction of consumption of energy:**

- Replacing power factor controls by automatic power factor control panels
- Increase in number of solar power lamps in the shipyard.
- Installation of energy efficient Variable Frequency drive (VFD) on air compressors and pumps to reduce energy consumption.

**(c) Impact of above measures for reduction of energy consumption & consequent impact on the cost of production of goods:**

The energy conservation measures have resulted in significant energy savings during the year.

**B) Technology Absorption****1. Research and Development (R & D) :**

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

- Manufacture of one 'Jack up barge' for PMC Projects Pvt. Ltd involving the preparation of layout plans, general arrangements, piping and valves, machinery placement, fabrication of hull and other structures like jack houses with jack up legs & locking systems, electrical lines, crew accommodation, LSA & FFA etc.
- Fabrication of jigs & fixtures for faster shiprepairs to improve quality and delivery time.
- Development of indigenous Cofferdam technology for repair of ship side steel plates without dry docking.
- High lift platforms introduced for safe working at heights for Rigs repairs.

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

- Manufacturing process developed in-house has been commercialized by the Company.
- Cost reductions through better utilization of material and energy.

- Import substitutions.
- Improvement in Quality and Customer Satisfaction.
- Planning for faster re-delivery of vessels.
- Reduction of environment pollution.
- Improvement in system standardization, process and productivity.

### 3. Future Plan of Action

- Improvement in the process of planning, procurement and production systems in shiprepair /Rig repair methodology.
- Introduction of new products, machinery and processes for better results.
- Improving interaction with Class Surveyors involved with Shiprepair and Rig repairs.

### 4. Expenditure on R & D

The Company is examining various proposals for SAP integrated software covering areas of planning & procurement, manpower, commercial invoicing & inventory control for improving MIS.

### 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.
- Imparting Training to Direct / Indirect / Contractor Staff employed for ship repairs.
- Technology absorption through interaction with classification societies, experts.
- Feedback Analysis from customers.

#### 2. Benefits derived as a result of the above efforts

Eg. Product improvements, Cost reduction etc.

- Cost reduction in production.
- Quality Assurance, Customer satisfaction and Safety.

#### 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:

Your Company had foreign exchange earnings equivalent to Rs. 38,86,41,747/- during the year ended 31.03.2013 (Previous year Rs. Nil). The foreign exchange expenditure during the year was equivalent to Rs. 4,92,03,634/- (Previous year: Rs. Nil).

For & on behalf of the Board of Directors

Sd/-

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

Place: Mormugao, Goa  
Date: 24<sup>th</sup> May, 2013



**ANNEXURE 'B' TO THE DIRECTORS' REPORT:****CORPORATE GOVERNANCE REPORT**

(As required under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd)

**1. Company's Philosophy on Corporate Governance:**

The Company is a part of the ABG Group. It is firmly committed to the principles of good Corporate Governance and Business Practices. The Company encourages the participation of all stakeholders, like the secured lenders, the Management, its employees and shareholders. The Company's Philosophy is that change is vital in an economic and competitive environment like shiprepairs with commitments to quality standards, time schedules and productivity norms. Therefore, your Company has set out its corporate vision to reach its business goals of Quality, Cost and Timely deliveries.

The Company also stresses that its personnel should operate in a manner that is professional, transparent and efficient using best business practices, prudent judgments and estimates in terms of time and cost, action plans with accountability at all levels. This helps the Company to ensure a long term growth that is stable and sustainable and create value for the stakeholders and the national economy.

**2. Board of Directors****(a) Size & Composition:**

The Board of Directors exercise superintendence and control over the management of the Company. The Whole Time Director & Chief Executive Officer of the Company looks after the day to day affairs. The Board comprises of 4 directors of which 3 are Independent non-executive directors. The composition of the Board is in conformity with the provisions of the Companies Act, 1956 and clause 49 of the Stock Exchange Listing Agreement. Based on the disclosures made by the Directors, none of them are related to one another in terms of sec. 6 of the Companies Act, 1956. None of them are disqualified u/s. 274(1) (g) of the Companies Act, 1956 and the rules thereunder. Based on the disclosures, the following information is furnished:

Name of Director	Category	No. of other Directorships	No. of Board Committees (other than WISL) on which member/ Chairman	Attendance	
				Board	AGM
Shri Ashwani Kumar	I, NE, Chairman	2	2	4	Yes
Shri Ashok R. Chitnis	I, NE	1	2	3	Yes
Cdr. S. K. Mutreja (Retd.)	NI, E	-	-	4	Yes
*Shri A. K. Agarwal (from 24.05.2013)	I, NE	6	-	NA	NA
*Shri R. S. Nakra (01.04.12 to 29.11.12)	NI, NE	1	1	4	No

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

\* Part of the year.

**(b) Board meetings:**

The Board appoints a Chairman for each Board meeting. The information in terms of Annexure -1A to clause 49 of the BSE listing agreement has been placed before the Board during the year. The decisions of the Board have been communicated to the Management of the Company for action. The Board held four (4) meetings during the year namely, 25.05.2012, 09.08.2012, 07.11.2012 and 11.02.2013. 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 21<sup>st</sup> AGM:

Name of Director	Ashwani Kumar	Shri. Ashok Kumar Agarwal
Date of Birth	15.08.1948	16.05.1950
Date of Appointment/ Re-appointment as Director	23.09.2011	24.05.2013
Qualification	Post Graduate Diploma in Political Science from Allahabad University	B.E. (Mech.)
Experience and Expertise in Specific functional area	38 years experience of experience with Indian Revenue Service. Retired as Chief Commissioner of Income Tax	Experience in Oil & Gas exploration, production, management & logistics. Retired as Head (Offshore Works), ONGC.
Directorships held in other Companies	ABG Shipyard Limited J. Kumar Infraprojects Limited	ABG Shipyard Limited ABG Solar Projects Pvt. Ltd ABG Energy Ltd ABG Energy (M.P.) Ltd ABG Energy Himachal Pradesh Ltd. PFS Shipping (India) Ltd. ABG Anchor Marine (India) Pvt. Ltd. AKB Offshore Consultancy LLP
Committee positions held in other Companies	Audit Committee & Compensation Committee of ABG Shipyard Limited	NIL
No. of Shares held in WISL	NIL	NIL

**3. Audit Committee**

The Audit Committee is constituted in line with clause 49 of the Listing Agreement read with sec. 292A of the Companies Act, 1956. The Audit Committee comprised of 3 directors, of which 2 are independent directors. The Company Secretary is the Secretary of the Committee.

## (i) Terms of Reference:

The Committee 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, 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 of Company's Whistle Blower Policy etc.

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

The Committee held four (4) meetings during the year namely, 25.05.2012, 09.08.2012, 07.11.2012 and 11.02.2013 with the requisite quorum. The minutes have been reviewed by the Board.

Name	Position	No. of meetings attended
Shri. Ashwani Kumar	I, NE, Chairman	4
Shri. Askok R. Chitnis	I, NE	3
*Shri. A. K. Agarwal (from 24.05.2013)	I, NE	NIL
*Cdr. S. K. Mutreja (Retd.)	NI, E	1
*Shri. R. S. Nakra (01.04.12 to 29.11.12)	NI, NE	3

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

\* Part of the year.

#### 4. Remuneration & Compensation Committee:

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

The Committee comprises of 3 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. No meetings were held by the Committee during the year in the absence of business agenda.

Name	Position	No. of meetings attended
* Shri. Ashwani Kumar (from 25.05.2012)	I, NE	Nil
Shri. Askok R. Chitnis	I, NE	Nil
*Shri. A. K. Agarwal (from 24.05.2013)	I, NE	Nil
*Shri. R. S. Nakra (01.04.12 to 29.11.12)	NI, NE	Nil

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

\* Part of the year.

##### (ii) Remuneration Policy:

The Company pays remuneration to its Whole Time Director & CEO by way of salary, allowances and perquisites subject to the conditions stipulated in Schedule XIII and other applicable provisions of the Companies Act, 1956. The same is recommended by the Remuneration & Compensation Committee, and approved by the Board, the General Meeting and the Central Government. The Company pays sitting fees to non-executive directors for attending each meeting of the Board /Committee. No sitting fee or commission is paid to the Chief Executive Officer and Whole Time Director.

##### (iii) Remuneration of Directors for the year ended 31.03.2013:

Name	Sitting Fees (Rs.)	Salary (Rs.)	Commission (Rs.)	Total (Rs.)	Terms
Shri. Ashwani Kumar	54000	Nil	-	54000	I, NE
Shri. Ashok R. Chitnis	54000	Nil	-	54000	I, NE
*Shri. R. S. Nakra (01.04.12 to 29.11.12)	36000	Nil	-	36000	NI, NE
*Shri. A. K. Agarwal (from 24.05.2013)	Nil	Nil	Nil	Nil	I, NE
**Cdr. S. K. Mutreja (Retd.), Whole Time Director & CEO	Nil	63,00,600	-	63,00,600	Contract

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

(b) \*Part of the year.

(c) \*\* Cdr. S. K. Mutreja is appointed as the Whole Time Director & CEO for a period of 3 years w.e.f. 17.07.2010 at the AGM held on 25.09.2010. The approval for increase in his remuneration was received at the AGM held on 23.09.2011. The Ministry of Corporate Affairs vide letter dated 05.06.2012 approved the same.

(iv) Details of shares of the Company held by Directors as on 31.03.2013

Name	No. of shares	Percentage of shareholding
Cdr. S. K. Mutreja (Retd.)	8500	0.0002

**5. Share Transfer & Investor Grievance Committee:**

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

The Board has delegated the powers to approve share transfers to the Whole Time Director & CEO and the Company Secretary with regard to the shares held in physical and demat form, in coordination with the Registrars. The Share Transfer & Investor Grievance Committee held 11 meetings during the year on 03.07.12, 02.08.12, 17.09.12, 17.10.12, 23.11.12, 11.12.12, 10.01.13, 09.02.13, 02.03.2013, 18.03.2013 & 30.03.2013.

Name	Position	No. of meetings attended
Cdr. S. K. Mutreja (Retd.), Whole time Director & CEO	E, NI	11
Shri. J. C. F. Sequeira, Company Secretary	Company Secretary	11

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

(ii) Terms of Reference:

The terms of reference of the Share Transfer & Investor Grievance Committee covers the matters specified in clause 49 of the Listing Agreement, namely, the share transfers and transmissions, issue of duplicate share certificates, share allotments, investor grievances like non-receipt of annual reports, dividends, demat requests, physical share certificates etc. The Committee reviews the performance of the Share Registrars.

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

Shri. J. C .F. Sequeira,  
Company Secretary,  
Western India Shipyard Limited  
(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: investors@wisl.co.in Website: www.wisl.co.in

(iv) Details of Investor Complaints received & resolved during FY ended 31.03.2013:

Type	Received	Resolved	Pending
SEBI Scores	8	8	Nil
BSE	Nil	Nil	Nil
ROC	Nil	Nil	Nil
Others	32	32	Nil
Total	40	40	Nil

## 6. General Body Meetings

- (i) Year, date, time and venue of the last three Annual General Meetings.

Year	Date	Time	Venue
2009-10	25.09.2010	11.00 a.m.	Mormugao Harbour, Mormugao, Goa – 403 803
2010-11	23.09.2011	11.00 a.m.	-do-
2011-12	15.09.2012	11.00 a.m.	-do-

- (ii) Special Resolutions passed in General Meetings:

Date of Meeting	Subject matter of Special Resolution/s
25.09.2010	<ol style="list-style-type: none"> <li>1. Appointment of Shri. Ashwani Kumar as ordinary director.</li> <li>2. Appointment of Shri. Ashok Chitnis as ordinary director.</li> <li>3. Re-appointment of M/s. V. V. Kale &amp; Co, as Statutory Auditors pursuant to Sec. 224A of the Companies Act, 1956.</li> <li>4. Re- appointment of Cdr. S. K. Mutreja as Whole Time Director and Chief Executive Officer of the company for a period of 3 years and payment of remuneration and perquisite.</li> </ol>
23.09.2011	Increase in the remuneration payable to Cdr. S. K. Mutreja, Whole Time Director & CEO of the Company.
15.09.2012	During the Financial Year 2011-12, no special resolution was passed.

## 7. Disclosures

- a) Materially significant Related Party transactions: The details of related party transactions are disclosed in the Notes to the Accounts.
- b) Compliances: The Company has complied with the requirements of the Listing Agreements with the Stock Exchanges including the mandatory requirements mentioned in Annexure - IC of clause 49 of Listing Agreement relating to Corporate Governance and the SEBI Regulations. No penalties or strictures have been imposed on the Company by any statutory or regulatory authorities for non-compliance on any matter related to capital markets during the last 3 years ended upto 31.03.2013.
- c) Code of Conduct: The Board of Directors of the Company has laid down a Code of Conduct for all Board members and senior management of the Company. The same has been put on the Company's website at [www.wisl.co.in](http://www.wisl.co.in).
- d) Whistle Blower Policy: The Company has laid down a Whistle Blower Policy and has established the necessary mechanism to enable employees to report unethical behavior if any in line with clause 7 of Annexure 1D of clause 49 of Listing Agreement on Corporate Governance. No person has been denied access to the Audit Committee.
- e) Non-mandatory requirements: The Company has implemented the following non-mandatory requirements recommended by clause 49 of the Listing Agreement with the stock exchanges:
- (i) Constitution of Remuneration Committee.
  - (ii) The statutory financial statements of the Company are unqualified.

## 8. Secretarial Audit Report

As stipulated by the SEBI, the Company has appointed Ms. Kala Agarwal, a Practicing Company Secretary to carry out the reconciliation of the total admitted capital with National Securities Depository Limited (NSDL) and

Central Depository Services Limited (CDSL) with the total issued & listed capital of the Company. The audit confirms that the total issued /paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized and total number of shares in physical form.

## 9. Code of Conduct for Prevention of Insider Trading in shares of the Company

The Company has a Code of Conduct for Prevention of Insider Trading in shares of the Company (Code). The Code prohibits the purchase or sale of shares of the Company by Directors, Officers and designated employees while in possession of the Company's unpublished price sensitive information during the closure of Trading Window. Under this Code, Directors, Officers and designated employees are also prevented from dealing in the shares.

## 10. Means of Communication

The Company's quarterly, half yearly and annual results are regularly displayed on the BSE website namely: [www.corpfiling.co.in](http://www.corpfiling.co.in) where the Company's shares are listed, and on the Company's web site [www.wisl.co.in](http://www.wisl.co.in) for the information of investors. The said results are also published in the Economic Times and Navhind Times/Herald. The official news releases are also displayed at the same websites for the information of investors.

## 11. General Shareholders' Information:

### (i) Annual General Meeting:

Date and time	:	<b>21.09.2013 at 11.00 a.m.</b>
Venue	:	Registered Office & Shipyard Mormugao Harbour, Goa - 403 803

### (ii) Financial Calendar :

Financial reporting for the quarter	
Ending June 30, 2013	: Mid-Aug. 2013
Ending September 30, 2013	: Mid-Nov. 2013
Ending December 31, 2013	: Mid-Feb. 2014
Ending March 31, 2014	: Mid-May. 2014

### (iii) Book Closure :

16.09.2013 to 21.09.2013 (both days inclusive)

### (iv) Dividend payment date :

Not applicable

### (v) Listing on Stock Exchanges:

Name of Stock Exchange
The Bombay Stock Exchange Ltd Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400001.
Delhi Stock Exchange Assn. Ltd DSE House, 3/1, Asaf Ali Road, New Delhi - 110 002.
Ahmedabad Stock Exchange Ltd Kamadhenu Complex, Opp.Sahajanand College, Panjara Pole, Ahmedabad - 380 015.
The Calcutta Stock Exchange Ltd 7 Lyons Range, Kolkata 700001.
Madras Stock Exchange Ltd Stock Exchange Bldg. P.B. No. 11, Second Line Beach Road, Chennai - 600 001.

Note: The Company's shares are listed on the Bombay Stock Exchange Limited (BSE) being the Principal

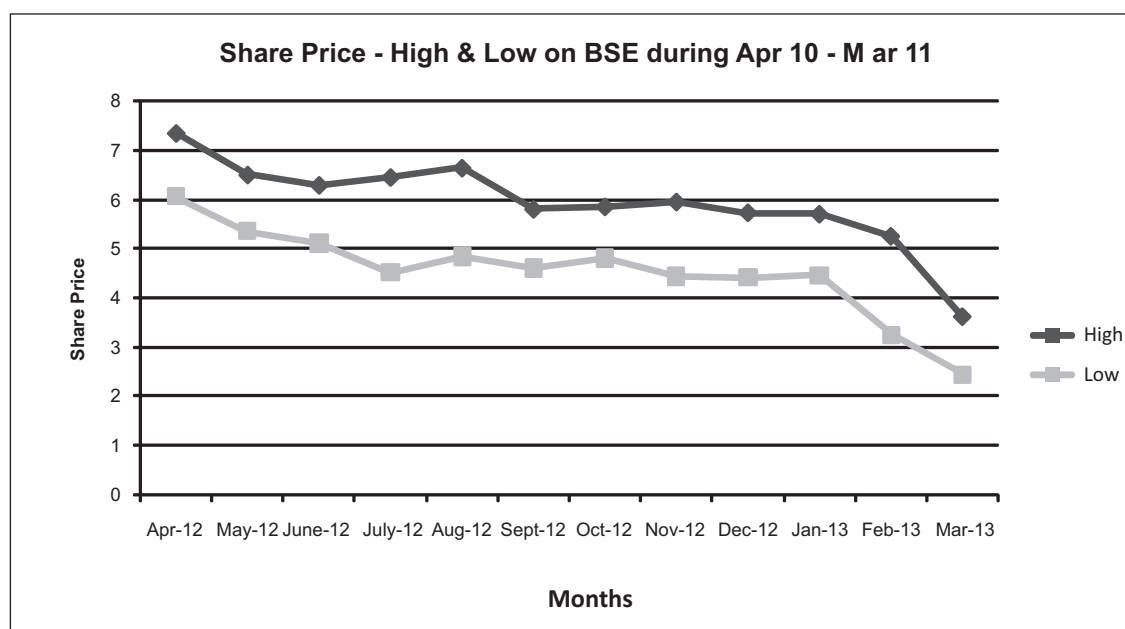


Stock Exchange. The shares are quoted in BSE 'B' list. The Company's Stock Code is: WESTE/531217. The Company's equity shares are allotted No. INE382C01028 under the depository system. The Company has paid the listing fees of Bombay Stock Exchange Limited for FY 2012-13.

The Company has submitted the applications for de-listing from the Stock Exchanges at Ahmedabad, Delhi, Kolkata and Madras in the year 2004 as the shares are thinly and infrequently traded, pursuant to the special resolution passed by its shareholders. 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.

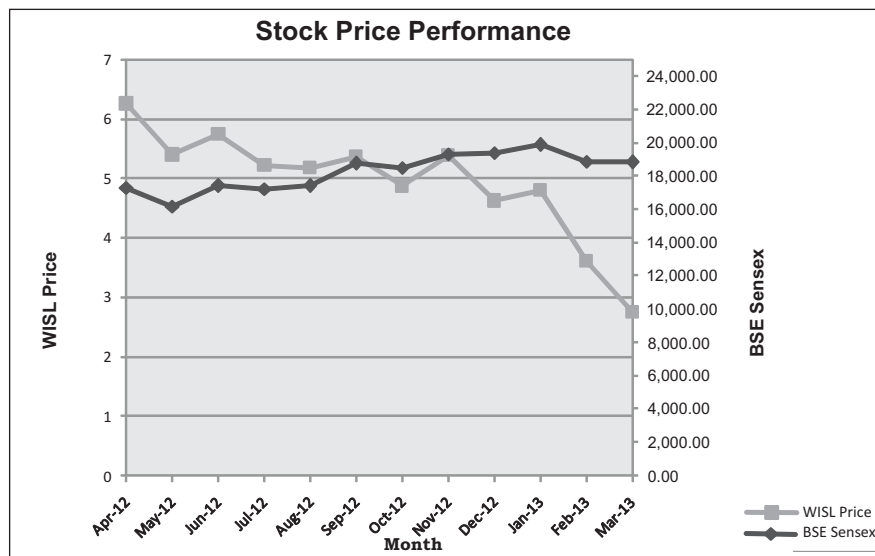
(vi) **Share Price Movement and its comparison with BSE Sensex:**

WISL SHARES			Volume at BSE	BSE Sensex
Month	High	Low		
Apr-12	7.35	6.05	566249	17,318.81
May-12	6.5	5.35	882807	16,218.53
Jun-12	6.29	5.1	753498	17,429.98
Jul-12	6.45	4.51	1104267	17,236.18
Aug-12	6.64	4.83	1124025	17,429.56
Sep-12	5.8	4.6	1327290	18,762.74
Oct-12	5.85	4.8	1068444	18,505.38
Nov-12	5.95	4.43	793126	19,339.90
Dec-12	5.73	4.41	708807	19,426.71
Jan-13	5.7	4.46	1762618	19,894.98
Feb-13	5.25	3.25	946940	18,861.54
Mar-13	3.61	2.45	1184321	18,835.77



(vii) **Share Price Performance WISL vs. BSE Sensex:**

Month	BSE Sensex	WISL Price
Apr-12	17,318.81	6.26
May-12	16,218.53	5.4
Jun-12	17,429.98	5.75
Jul-12	17,236.18	5.23
Aug-12	17,429.56	5.18
Sep-12	18,762.74	5.37
Oct-12	18,505.38	4.88
Nov-12	19,339.90	5.39
Dec-12	19,426.71	4.63
Jan-13	19,894.98	4.8
Feb-13	18,861.54	3.61
Mar-13	18,835.77	2.75

(viii) **Stock Price Performance:**(ix) **Registrars :**

Link Intime (India) Pvt. Limited,  
Registrars & Transfer Agents  
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 have been notified by SEBI for compulsory trading in dematerialization mode through the depository system. Physical shares received for transfer are required to be dematerialized first before their transfer. The share transfer applications with physical share certificates are registered by the Company within 15 days from the date of receipt. The demat requests are confirmed to the Depository Participants (DP) within 15 days from the date of receipt. Shares held in the dematerialized form are electronically traded by Depository Participants. The Depository Participants periodically send the

Registrars of the Company the beneficiary holdings to enable them to update their records and to send the Company's communications to the beneficiaries.

(xi) **Dematerialization of shares:**

As on 31<sup>st</sup> March 2013, 28,61,22,508 equity shares of the Company representing 97.10% of the issued and paid up share capital is held in demat form with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL) and the balance 85,21,522 shares representing 2.90% are in physical form. The Company has paid the Annual Custodial fees to NSDL and CDSL for FY 2013-14.

(xii) **Nomination Facility:**

Section 109A of the Companies Amendment Act, 1999 has introduced the nomination facility for shareholders in single name to add a name/s of a nominee/s to avoid the cumbersome process of transmission by law in case of death. In case shares held in joint names, the nomination will be effective only in event of death of all the holders. The Investors holding shares in physical form, in single name are advised to avail of this facility, and send the nomination form in the Company's format as displayed on the Company website. Where the shares are held in dematerialized form, the nomination form has to be sent directly to the investor's depository participant in the format prescribed by them.

(xiii) **Distribution of Shareholding as on 31.03.2013:**

Nominal Value of shareholding (in Rs.)	Number of Shareholders	% of share holders	Number of shares held	% of shareholding
1 - 5000	47989	88.71	18515585	6.28
5001 – 10000	2903	5.37	6363328	2.16
10001 – 20000	1485	2.75	6643936	2.25
20001 – 30000	500	0.92	3228889	1.10
30001 – 40000	255	0.47	2615771	0.89
40001 – 50000	298	0.55	2669830	0.91
50001 – 100000	318	0.59	5581942	1.89
100001 & above	346	0.64	249024809	84.52
<b>Total</b>	<b>54094</b>	<b>100</b>	<b>294644090</b>	<b>100</b>
Physical mode	24971	46.16	8521522	2.90
Electronic mode	29123	53.84	286122568	97.10
<b>Total</b>	<b>54094</b>	<b>100</b>	<b>294644090</b>	<b>100</b>

(xiv) **Outstanding ADRs /GDRs /Warrants or any convertible instruments:**

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

(xv) **Shareholding Pattern as on March 31, 2013:**

Category	No. of shares	% of shares
Promoters' Holding	177001303	60.07
Mutual Funds / UTI	3720500	1.26
Financial Institutions/Banks	28456221	9.66
Private Corporate Bodies	13435823	4.56
NRIs / OCBs	1798672	0.61
Indian Public	70231571	23.84
<b>Total</b>	<b>294644090</b>	<b>100.00</b>

(xvi) **Shareholders with more than 1% shareholding as on March 31, 2013:**

Name of the shareholder	No. of shares	Percentage
ABG Shipyard Limited	177001303	60.07
ICICI Bank Limited	11441496	3.88
State Bank of India	9120000	3.10
Bank of India	6687600	2.27
PFS Shipping India Ltd.	5286000	1.79
Administrator of Specified Undertaking of UTI	3720500	1.26
Western Paques (India) Ltd.	3183710	1.08

(xvii) **Details of unclaimed shares issued pursuant to Initial Public Offer (IPO) pursuant to clause 5A of the Listing Agreement:**

Sl. No.	Particulars	Cases	No. of Shares
(a)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year namely, 01.04.2012	305	94650
(b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year;	11	3600
(c)	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year;	11	3600
(d)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	294	91050

Note: The voting rights on the shares shall remain frozen until the rightful owner claims the shares. As per clause 5A (II) of the Listing Agreement, the Company has sent 3 reminders to the shareholders to claim the shares. These shares have been transferred to the "Unclaimed Suspense Account".

(xviii) **Shipyard Location & address for correspondence:****Western India Shipyard Limited**

(Registered Office and Shipyard)

Post Box No. 21, Mormugao Harbour, Mormugao, Goa 403 803.

Phone: 0091 832 252025257. Fax: 0091 832 2520258.

E-mail: investors@wisl.co.in Website: www.wisl.co.in

**ANNEXURE 'C' TO THE DIRECTORS' REPORT:****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****I. Industry Structure and Developments:**

Ship Repair Units (SRUs) are generally set up in and around the major ports to cater to vessels using these ports for import and export cargo and use the port facilities like Port tugs, pilots, berths, anchorages, power, fuel and ballast water etc. Such vessels are like cargo vessels, tankers, product carriers, LPG carriers, Offshore Support Vessels, dredgers, Port craft, Oil Rigs and vessels of the Indian Navy and Coast Guard. Therefore, the Ministry of Shipping, Government of India, has recognised the importance of the Shiprepair Industry and has extended continuous support to this Industry under a Press Note (1990 Series) dated 10.10.1990 titled "*Promotional measures and concessions for Indian Shiprepair Units*" like exemptions from duty of customs and central excise.

**II. Company Overview**

Your Company operates one Ship Repair Unit ('SRU') and is a manufacturing unit registered under the Factories Act, 1948 and the rules. It renders heavy engineering jobs and is capital intensive. Your Company has set up a State of Art facility totally dedicated to composite shiprepairs at Mormugao Port at berth Nos. 1, 2, 3 and 4(part) for a period of 25 years w.e.f.05.04.1993. The facilities consist of a Floating Dry Dock of 60000 DWT capacity, wet repair jetty, portal rail cranes of 35T and 50T capacity, 70T Mobile crane, heavy duty workshops, fabrication centers and multi-purpose shops. Your Company has completed the preventive maintenance of the dry dock to cater to vessels upto 60000 DWT. Your Company has also achieved the depth of 9.5m in its water area and 13.5m in its dock pit after maintenance dredging.

Your Company manufactures a various ship parts like hull and deck sections, steel structurals, repair, refurbishment, renovation and replacement of navigational parts, ship engines, crew accommodation, plant and equipment, radar and communication equipment, air conditioning and ducting, electrical and mechanical equipment, surface treatment and anti-rust cathode protection, deck and crane equipment, tanks and cargo hold cover repairs, valve and pipeline repairs, to enhance the life, safety, operating performance and value of the vessel. Your Company, as a subsidiary of ABG Shipyard Limited, enjoys continuous access to technical, marketing and financial support from ABG Shipyard Limited, who is an established market leader in the Shipbuilding Industry.

**III. Company Strategy**

Your Company pursues strategies for sustainable long term growth in repair volumes and profitability and to reduce its operational risks and costs. These are as under:

- (a) Commercial shiprepairs: Your Company undertakes regular commercial shiprepairs of established clients like DCI, SCI, Navy, Coast Guard, Reliance and PFS Shipping. Its infrastructure operates at full capacity. With a view to increase repair volumes, profitability and productivity, your Company has submitted firm plans to acquire and install a 2<sup>nd</sup> floating dry dock for repair of smaller vessels at its existing facilities at Mormugao Port, subject to the approval of the Port.
- (b) Indian Naval vessels: The Indian Navy has about 171 vessels on active duty and 36 vessels under construction engaged in protecting the sovereignty and security of India and its maritime assets. In the Budget 2013-14 the outlay for defence was hiked to Rs. 203,672 crore (5.31%) over the previous year. Your Company expects that repair of naval vessels will continue to be given priority in view need for extensive repair and modernization of the naval fleet in the coming years and the repair revenue are expected to be large.
- (c) Deep water Oil Rigs: The demand for petroleum and liquid fuel is expected to reach 95 million barrels per day (bpd) by 2030 from the current level of 84 mn bpd. Investment in the Gas & Offshore Industry is

expected to increase to USD 45 billion in 2011. Due to increasing oil demand, the National Oil Companies have started developing offshore assets to meet the oil and gas demands. Rising crude oil prices and cuts on middle east oil production will eventually lead to greater oil exploration activity and offshore assets in India. It is estimated that over 75% of the Oil Rigs are of 1985 vintage and will have to be repaired /replaced in the coming years. Your Company has established itself as a reliable unit for composite repairs of Deep water Jack Up Oil rigs (13 nos.) with access to large water front area and expects business from this sector to be highly profitable, assured and continuous. Your Company caters to good clients like Transocean, Nobel Sedco Forex, Jindal Drilling & Aban Offshore and ONGC.

- (d) Your Company sees inherent risks in repair of older vessels where there is delay in re-delivery of vessel due to lead time in procurement of spares which lead to disputes in work done, bill settlements and liquidated damages. Besides this there are credit risks & forex fluctuations risk. Your Company expects to reduce risks by negotiating better terms of payment, competitive pricing, better quality & timely re-deliveries.

#### **IV. Segment-wise/product-wise performance:**

During the year, your Company continued to operate only in the Shiprepair segment in view of the large shiprepair orders which fully used the dry dock and wet repair jetties.

#### **V. Outlook for Shiprepairs in India:**

Your Company is competitively placed for repair of older vessels upto 60000 DWT, due to its advantageous location at Mormugao Port, Goa on the west coast, close to the major sea bourn traffic lanes and Bombay High Offshore Oilfields, low labor costs, availability of skilled work force and duty free imports for shiprepairs. With the growing requirements of strict environmental norms for pollution control, safety standards and regulations, your Company expects to increase its shiprepair volumes and profitability over the years. Your Company also expects substantial orders for Rig repairs in view of the continuous growth in the offshore oil exploration and production in the Country. Your Company is well equipped to meet the challenges through excellence in quality, cost competitiveness, timely redeliveries, technical expertise & infrastructure.

#### **VI. Risks & Concerns:**

Your Company has a 25 year license agreement for shiprepairs and shipbuilding w.e.f. 05.04.1993 with the Mormugao Port Trust. The Company's shipyard being in the Port area, is dependent on port tugs, pilots and berths for movement of vessels to and from dry dock to jetties and berths. Port approvals are also required for additional land and water area for business operations & expansion. The Port had raised several issues and operational impediments which were reviewed by the High Powered Committee (HPC) appointed by the Ministry of Shipping, Government of India. M/s. S. S. Dalvi, Chartered Accountants and Independent Auditor has submitted a report on the reconciliation of accounts between the Company and the Port, which is under the active consideration of the Ministry.

#### **VII. Internal control systems and their adequacy**

The Company has adequate internal control systems and procedures, commensurate with the size and nature of the Company's operations. The financial statements are audited by the Statutory Auditor on quarterly basis with regard to the financial effectiveness of operations, financial reports, taxation, statutory compliance etc. The Audit Committee reviews the financial reports on quarterly basis with the Management and the auditors and the adequacy of internal controls and suggests improvements for strengthening the systems. The Board reviews the recommendations of the Audit Committee at each meeting.

#### **VIII. Financial and Operating performance:**

The Company achieved a total revenue of Rs. 7853.30 lacs as against Rs. 14185.42 lacs in the previous year. There was a net loss after tax of Rs. 981.73 lacs for the year as against a net profit after tax of Rs. 1222.42 lacs in the previous year. The Company has repaired 12 vessels. The Company has a healthy order book position



as on 31.03.2013 and the repairs in the shipyard are progressing satisfactorily.

**IX. Material developments in human resources / industrial relations front.**

Your Company has a cordial relationship with its workforce under the wage settlement signed on 30.12.2010 covering the period from 01.10.2009 to 30.09.2013. The Company has introduced a Voluntary Retirement Scheme (VRS) to rationalize its workforce.

**CAUTIONARY STATEMENT**

*The 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. Important factors that influence the Company's operations such as working capital, raw material availability, prices, Government policy and regulations, taxes, economic developments in India and abroad, market competition, natural calamities and industrial relations.*

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**Annexure 'D' 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.)	Qualification	Experience in no. of Years	Last Employment	Date of Employment
1.	Cdr. S. K. Mutreja (Retd.)	Whole Time Director & CEO	66	63,00,600/-	B. E (Mech)	45	ABG Shipyard Ltd.	17.07.2007

Note: The gross remuneration comprises of salary, allowances, Company's contribution to provident fund & perquisites at actual. His employment is contractual.

## **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 31.03.2013.

For Western India Shipyard Limited  
Sd/-

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

Place: Mumbai  
Date: 24<sup>th</sup> May, 2013

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## **Certificate 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, 2013 & 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) The significant changes in the internal controls over financial reporting during the year.
  - (b) The 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) That there is no instance of significant fraud of which we are aware and no involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
S. Muthuswamy  
Chief Financial Officer

Place: Mumbai  
Date: 24<sup>th</sup> May, 2013

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

## **Auditor's Certificate on Corporate Governance**

To,  
The Members  
Western India Shipyard Limited

We have examined the compliance of conditions of Corporate Governance by Western India Shipyard Limited, for the year ended on March 31, 2013 as stipulated in Clause 49 of 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: 24.05.2013

## AUDITOR'S REPORT

To  
The Members of  
Western India Shipyard Ltd.

### Report on the Financial Statements

We have audited the accompanying financial statements of Western India Shipyard Ltd. ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of the affairs of Company as at 31st March, 2013;
- b) In the case of Statement of Profit & Loss, of the loss of the Company for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 purpose 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 those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
- e) On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

For V. V. Kale & Co.  
Chartered Accountants  
Firm Regd No- 000897N  
Sd/-  
Vijay V. Kale  
Partner  
M. No- 080821

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT**  
(Referred to in Paragraph (1) under the heading of "Report on Other  
Legal and Regulatory Requirements" of our report of even date)

1. In respect of fixed assets:
  - a. As informed to us, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets and it needs to be updated.
  - b. 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.
  - c. As explained to us, no substantial part of the fixed assets have been disposed off during the year.
2. In respect of inventories
  - a. As informed to us, the Management has physically verified the inventory during the year. In our opinion, the frequency of verification is reasonable.
  - b. 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.
  - c. 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. In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
  - a. The Company has not granted any loan during the year to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
  - b. The Company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirements of Clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956.
  - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements referred that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
  - 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.
6. 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. Therefore, the provision of Clause (vi) of paragraph 4 of the Order is not applicable to the Company

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
8. 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.
9. In respect of statutory dues:
  - a. According to the records of the Company, there has been delays in depositing Provident Fund, Employees State Insurance and other undisputed statutory dues with the appropriate authorities.

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 other than mentioned below:-

Nature of dues	Name of the Statute	Amount Payable (Rs. in lacs)
Income Tax	The Income Tax Act, 1961	87.91
TDS	The Income Tax Act, 1961	29.09
Service Tax	The Finance Act, 1994	48.55
Value Added Tax	The Goa Value Added Tax Act, 2005	190.16

- b. The disputed statutory dues aggregating Rs. 2751.41 lacs that have not been deposited on account of disputed matters are given below:-

Nature of Dues	Name of the Statute	Financial Year	Amount (Rs. in lacs)	Forum where dispute is pending
Sales Tax	The Goa Sales Tax Act	1995-96 to 2004-05	837.91	Commissioner - (Sales Tax)
Value Added Tax (VAT)	The Goa Value Added Tax Act, 2005	2005-06 & 2006-07	436.57	Commissioner -VAT
Service Tax	Finance Act, 1994	2001-02 to 2003-04	711.14	Bombay High Court
Income Tax Demand	The Income Tax Act, 1961	2005-06	5.67	Income Tax Appellate Tribunal
Custom Duty	Customs Act, 1962	2012-13	760.12	Appeal is yet to be filed

10. 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 and in the immediately preceding financial year.
11. Based on the examination of the books of account, related records and according to the information and explanations given to us, 31 instances of delays were noted in repayment of dues to the bank ranging from 1 to 98 days with amounts varying from Rs. 15.01 lacs to Rs. 126.82 lacs and 14 instances of delays were noted in repayment of dues to the financial institution ranging from 1 to 201 days with amounts varying from Rs. 7.95 lacs to Rs. 3162.50 lacs, out of these dues to financial institution Rs. 1106.74 lacs remain outstanding as on the

date of signing of balance sheet.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund/ nidhi/ mutual fund/society. Therefore, the provisions of Clause (xiii) of paragraph 4 of the Order is not applicable to the Company
14. During the audit under review, the Company has made investment in mutual fund. The Company has maintained proper records of the transactions and contracts in respect of such investment. All investments have been held by the Company in its own name.
15. As informed to us, the Company has not given any guarantee for loans taken by others from Bank or Financial Institutions.
16. As per records of the Company, no term loans were applied for. Therefore, the provisions of Clause (xvi) of paragraph 4 of the Order is not applicable to the Company.
17. In our opinion and according to the explanations given to us and based on the information available, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. 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.
19. The Company does not have any debentures. Therefore, the provision of Clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. As per the records of the Company, the Company has not raised any money by way of public issues during the year under audit.
21. 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.

For V. V. Kale & Co.  
Chartered Accountants  
Firm Regd No- 000897N

Sd/-  
Vijay V. Kale  
Partner  
M. No- 080821

Place : Mumbai  
Date : 24<sup>th</sup> May, 2013

**BALANCE SHEET AS AT MARCH 31, 2013**

(Rs. in Lacs)

	Note	As at March 31, 2013	As at March 31, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's funds</b>			
Share Capital	1	5892.88	5,892.88
Reserves and Surplus	2	<u>(4,538.50)</u>	<u>(3,556.79)</u>
		<b>1,354.38</b>	<b>2,336.09</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	3	1,0426.57	13,983.81
Long Term Provisions	4	<u>398.91</u>	<u>367.18</u>
		<b>10,825.47</b>	<b>14,350.99</b>
<b>Current Liabilities</b>			
Short Term Borrowings	5	2,590.02	2,801.61
Trade Payables	6	2,102.92	2,645.51
Other Current Liabilities	7	5,711.19	6,913.10
Short Term Provisions	8	<u>70.65</u>	<u>310.07</u>
		<b>10,474.78</b>	<b>12,670.29</b>
<b>TOTAL</b>		<b><u>22,654.64</u></b>	<b><u>29,357.37</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		6,433.50	7,713.83
Capital Work-In-Progress		1,586.24	658.12
Non Current Investment	10	5.00	5.00
Long-Term Loans and Advances	11	2,563.83	3,555.32
Other Non-Current Assets	12	<u>3,347.28</u>	<u>3,483.98</u>
		<b>13,935.85</b>	<b>15,416.26</b>
<b>Current Assets</b>			
Inventories	13	811.43	9,668.69
Trade Receivables	14	4,208.42	1,105.94
Cash and Bank Balances	15	57.12	118.32
Short-Term Loans and Advances	16	2,485.78	1,975.60
Other Current Assets	17	<u>1,156.04</u>	<u>1,072.56</u>
		<b>8,718.79</b>	<b>13,941.12</b>
<b>TOTAL</b>		<b><u>22,654.64</u></b>	<b><u>29,357.37</u></b>

Significant Accounting Policies

Notes on Financial Statements 1-23

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

As per our report of even date attached.

For V. V. Kale &amp; Co.

Chartered Accountants

Firm Regd. No. 000897N

Sd/-

Vijay V. Kale

Partner

M. No.- 080821

Place : Mumbai

Dated : May 24, 2013

Sd/-

Ashwani Kumar

Director

Sd/-

S. Muthuswamy

Chief Financial Officer

For &amp; on behalf of the Board

Sd/-

Cdr. Subhash Kumar Mutreja (Retd)

Wholetime Director &amp; CEO

Sd/-

J. C. F. Sequeira

VP (Corp Affairs) and  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

	Note	Year Ended March 31, 2013	(Rs. in Lacs) Year Ended March 31, 2012
<b>INCOME</b>			
Revenue from Operations	18	7,296.33	14,176.09
Other Income	19	556.94	9.33
<b>Total Revenue</b>		<b>7,853.27</b>	<b>14,185.42</b>
<b>EXPENDITURE</b>			
Cost of Materials, Stores and Spares Consumed	20	2,083.72	4,745.36
Employee Benefit Expense	21	1,481.99	1,362.14
Finance Cost	22	1,249.26	1,113.20
Depreciation		1,314.64	1,046.76
Other Expenses	23	3,011.41	4,944.53
<b>Total Expenditure</b>		<b>9,141.02</b>	<b>13,211.99</b>
<b>Profit / (Loss) Before Tax, Adjustments and Exceptional Items</b>		<b>(1,287.75)</b>	<b>973.43</b>
<b>Provision for Taxation</b>			
Provision for MAT		-	258.66
Tax Adjustments for Earlier Year		4.36	-
Mat Credit Entitlement		(6.09)	252.00
<b>Profit / (Loss) before Adjustments and Exceptional Items</b>		<b>(1,298.20)</b>	<b>966.77</b>
Prior Period Adjustments		(11.48)	255.65
<b>Profit / (Loss) before Exceptional Items</b>		<b>(1,286.72)</b>	<b>1,222.42</b>
Exceptional Item		(305.00)	-
<b>Profit / (Loss) for the year</b>		<b>(981.72)</b>	<b>1,222.42</b>
Earning per equity share of face value of Rs 2/- each Basic and Diluted ( in Rs)		<b>(0.33)</b>	0.41

Significant Accounting Policies

Notes on Financial Statements 1-23

Notes referred to above form an integral part of Statement of Profit &amp; Loss

As per our report of even date attached.

For V. V. Kale &amp; Co.

Chartered Accountants  
Firm Regd. No. 000897N

Sd/-

Vijay V. Kale

Partner

M. No.- 080821

Place : Mumbai

Dated : May 24, 2013

For &amp; on behalf of the Board

Sd/-  
Ashwani Kumar  
DirectorSd/-  
S. Muthuswamy  
Chief Financial OfficerSd/-  
Cdr. Subhash Kumar Mutreja (Retd)  
Wholetime Director & CEOSd/-  
J. C. F. Sequeira  
VP (Corp Affairs) and  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2013**

PARTICULARS	CURRENT YEAR	(Rs. in Lacs) PREVIOUS YEAR
<b>A. Cash Flow from Operating Activities</b>		
Net profit for the year before tax and extra ordinary items	(1,287.75)	973.43
Adjustments for :		
Exceptional Item	305.00	-
Depreciation	1,314.64	1,046.76
Prior Period Expenses	11.48	255.65
Interest Income	(2.47)	(3.63)
Interest Expense	1,249.26	1,113.20
Loss/(Profit) on Sale of Fixed Assets	0.11	7.09
Loss/(Profit) on Sale of Investment	(0.06)	-
W/off of Miscellaneous Expenses	-	24.96
Operating profit for the year before working capital changes	1,590.22	3,417.47
Adjustments for :		
Trade Receivables	(3,102.48)	1,412.87
Other Receivables (Loan and Advance)	(593.65)	(1,397.88)
Inventories	8,857.26	(5,142.37)
Trade and Other Payables	(2,352.70)	6,514.27
Cash generated from Operations	4,398.64	4,804.36
Income Tax Paid	(20.00)	-
Net cash from/ (used) in Operating Activities	4,378.64	4,804.36
<b>B. Cash Flow from Investing Activities</b>		
Building Construction Expenditure		
Sale of Fixed Assets	0.10	2.51
Profit on Sale of Investment	0.06	-
Purchase of Fixed Assets	(34.52)	(1,307.79)
Addition to Capital Work in Progress	(928.12)	(85.50)
Interest received	2.47	3.63
Net cash from/(used) in Investing Activities	(960.01)	(1,387.16)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds / (Repayment) from Long Term Borrowings	(3,525.52)	(544.70)
Proceeds / (Repayment) from Long Term Advances	1,128.20	(1,811.51)
Interest Paid	(1,082.52)	(1,048.47)
Net cash from/(used) in Financing Activities	(3,479.84)	(3,404.68)
Net Increase/(Decrease) in cash and cash equivalents	(61.20)	12.52
Cash and cash equivalents as at Opening		
Cash and Balances with Banks	118.32	105.80
Cash and cash equivalents as at Closing		
Cash and Balances with Banks	57.12	118.32

**Note :-**

- 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 Statement of Profit and Loss and Balance Sheet of the Company.
- Previous year figures have been regrouped/ rearranged wherever considered necessary.

As per our report of even date attached.

For V. V. Kale &amp; Co.

Chartered Accountants

Firm Regd. No. 000897N

Sd/-

Vijay V. Kale

Partner

M. No.- 080821

Place : Mumbai

Dated : May 24, 2013

For &amp; on behalf of the Board

Sd/-

Ashwani Kumar

Director

Sd/-

Cdr. Subhash Kumar Mutreja (Retd)

Wholtime Director &amp; CEO

Sd/-

S. Muthuswamy

Chief Financial Officer

Sd/-

J. C. F. Sequeira

VP (Corp Affairs) and

Company Secretary

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Corporate information

Western India Shipyard Limited ("the Company") incorporated under the provision of the Companies Act, 1956. The Company is engaged in the industrial activities of Shiprepairs and Shipbuilding as it manufactures a variety of spare parts. The Company has the required infrastructure like a Floating Dry Dock of 60000 DWT capacity, 4 wet repair berths, heavy duty machine shops, paint/valve and pipe shops, fabrication yards, portal and mobile cranes, captive gensets, electrical sub-station, to cater to Indian and foreign vessels like cargo and passenger vessels, tankers, dredgers, Offshore support vessels, navy and Coast Guard vessels, trawlers, barges, operating on the coastal and international sea routes and Jack Up Oil Rigs on East and West Coast.

### 2. Basis of preparation

#### Accounting Convention :

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention method as a "Going Concern Concept" and in accordance with Generally Accepted Accounting Principles in India (Indian GAAP).

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis except Medical Reimbursements, Leave Travel Allowances, Insurance Claims, Ex-gratia and Scrap Sale which are on cash basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 2.1 Summary of Significant Accounting Policies

##### (a) Use of Estimates

The preparation of Financial Statements, in conformity with generally accepted accounting principles, requires the 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.

##### (b) Tangible fixed assets

The Company's Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. No revaluation has taken place during the year.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset.

##### (c) Depreciation:

- i. Depreciation on fixed assets is provided on straight line method in the manner and the rates



prescribed in Schedule VI to the Companies Act, 1956. However in case of "Ship Building Platform", depreciation has been calculated @ 8.33% based on remaining period of lease with Mormugao Port Trust, upto 04.04.2018.

- ii. Depreciation on additions / deletions is calculated on pro-rata basis from / to the date of such additions / deletions.
- iii. Depreciation on additions in Floating Dry Dock on account of foreign exchange fluctuations and any major additions is amortized 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

**(d) Impairment of tangible assets**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(e) Investments**

Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

**(f) Inventories**

Raw materials, components, stores and spares are valued at lower of cost (computed on the basis of Annual Weighted Average method) and net realizable value.

Work-in-progress is valued at Percentage Completion Method.

**(g) Revenue recognition**

Revenue is recognised on proportionate completion method except where part bill has been raised and recognised.

- i) Shiprepair revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
- ii) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer.

**(h) Foreign Currency Transaction :**

**Foreign currency translation**

**Foreign currency transactions and balances**

Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

- 1. Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.
- 2. 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.

## (i) Retirement and other employee 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., Gratuity 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

## (j) Income tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the *Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961*, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

**(k) Segment reporting**

During the year, the Company operated primarily in India in one business segment only namely "Ship Repairs" which includes Oil Rig repairs. It does not operate in any geographical segment outside India.

**(l) Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(m) Provisions & 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) Where 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.

**OTHER NOTES**

1. Revenue is being recognized as per percentage completion contract method. However in the previous year, sales have been shown as per invoices raised and balance shown as work in progress. In the current year, Previous year figure has been reclassified to conform to the current year results.
2. 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.
3. The Company has been granted sales tax exemption by the State Government, Directorate of Industries and Mines, Government of Goa vide its letter No. IND/Devi/I M/495/93/3543 dated 19.8.1997 for a period of 12 years w.e.f. 01.01.1996 on ship-repairs. However the Sales Tax 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 from 1995-96 upto 2004-05. The Company's second appeal before the Administrative Tribunal, Panjim in respect of FY 1995-96 has been remanded back to the Asst. Commissioner of Commercial Taxes, Panjim to decide the appeal with reasons. The appeals are sub-judice.

The Goa Value Added Tax Act, 2005 is applicable to assesses in the State of Goa w.e.f 2005-06. Hence the Company had obtained registration and filed its returns for the quarters ended 30.06.2010 and 30.09.2010. The Company had 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 years 2005-06, 2006-07 and 2007-08 for a sum of Rs. 515.78 lacs. The Company has filed appeals before the Addl. Commissioner of Commercial Taxes, Goa and the appeals are sub-judice.

4. The Company has made representation before the Ministry of Shipping for refund of advance made to Mormugao Port Trust in earlier years. The Company representation along with officials from Ministry of Shipping and Mormugao Port Trust concluded for the recovery of Rs.3,30,84,835 and interest Rs.3,92,15,163. Accordingly balance receivable on account of interest has shown as 'Interest on Other' under head 'Other Income'.
5. In the arbitration proceeding with Dredging Corporation of India, award was passed in the year 2004 and remained unexecuted. In the current year, Dredging Corporation of India executed the same and recovered the amount along with interest, which has been shown as 'Customer Claim' under head 'Other Expenses'.
6. The Company has taken land and water on license from Mormugao Port Trust (MPT) and license fees amounting to Rs. 428.91lacs (Previous year Rs. 416.05lacs) has been debited to profit and loss account. The future minimum payment is as under:

	2012-13	2011-12
Not later than one year	Rs. 467.47 lacs	Rs. 467.47 lacs
Later than 1 yr. but less than 5 yrs.	Rs. 2356.07 lacs	Rs. 2823.54 lacs
More than 5 years	Nil	Nil

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:-

A. Related Parties Disclosure as per Accounting Standard (AS) - 18 :-

Holding Company	ABG Shipyard Limited
Ultimate Holding Company	ABG International Pvt. Ltd. (Holding Company of ABG Shipyard Limited)
Associate Companies	ABG Resources Private Ltd. PFS Shipping (India) Ltd.
Companies over which Directors/relatives are able to exercise Significant Influence	ABG Shipyard Limited (Shri. Ashwani Kumar and Shri. Ashok Chitnis (Common Directors)
Key Management Personnel	Cdr. Subhash Kumar Mutreja (Retd.), Whole Time Director & Chief Executive Officer

## B. Transactions with Related Parties:

(Rs.In lacs)

	Holding Co./ Ultimate Holding Co.	Associate Companies	Key Management Personnel	Total
1. Revenue from Operations	1917.13 4397.56	729.97 -	- -	2647.10 4397.56
2. Service Charges	- -	60.00 60.00	- -	60.00 60.00
3. Trade Advances received	- 1272.00	- 736.50	- -	- 2008.50
4. Purchase of Fixed Assets	- 177.04	- -	- -	- 177.04
5. Purchase of Material (In Transit)	42.36 -	- -	- -	42.36 -
6. Other Loans and Advances given/(returned)	(70.00) 2431.26	355.43 -	- -	285.43 2431.26
7. Payment to Key Management Personnel	- -	- -	63.01 73.52	63.01 73.52
8. Corporate Guarantees	- 3360.00	- -	- -	- 3360.00
Balance as on 31/3/2013				
9. Trade Receivables	5561.06 595.84	2451.54 3482.04	- -	8012.60 3566.04
10. Capital Advance	- 3500.00	- -	- -	- 3500.00
11. Loans & Advances	- -	1233.94 -	- -	1233.94 -
12. Reimbursement	- 82.56	- -	- -	- 82.56

Disclosure in respect of Material Related Party Transactions during the year:-

1. Revenue from operations includes Rs.2004.94 lacs (Rs. 4397.36 lacs) from ABG Shipyard Ltd
2. Revenue from operations includes Rs. 729.97 lacs (Rs. Nil) from PFS Shipping (I) Ltd.
3. Service charge Rs. 60.00 lacs (Rs. 60 lacs) to ABG Resources Pvt. Ltd.
4. Trade advances received Rs. Nil lacs (Rs. 1272.00 lacs) from ABG Shipyard Ltd.
5. Trade advances received Rs. Nil lacs (Rs. 736.50 lacs) from ABG Resources Private Ltd
6. Purchase of Fixed Assets includes Rs. Nil (Rs. 177.04 lacs) from ABG Shipyard Ltd
7. Other loans and advances repaid Rs. 70.00 lacs (Rs. 2431.26 lacs) to ABG Shipyard Ltd
8. Corporate Guarantee Rs. Nil lacs (Rs. 3360.00 lacs) by ABG Shipyard Ltd towards short terms borrowings from Bank

## Notes:

- Related Parties have been identified by the Management and relied upon by the Auditors.
- Previous year's figures are shown in Italics.

## 8. CONTINGENT LIABILITIES :

- Guarantees given by Banks: Rs. 456.04 lacs (Rs. 483.78 lacs).
- Letters of Credit outstanding: Rs. Nil lacs (Rs. 699.57 lacs).
- Bonds of Rs. 15.00 lacs (Rs. 15.00 lacs) executed in favour of Excise Authorities.
- 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.
- Income Tax liability for financial year 2005-06 is Rs. 5.67 lacs.
- Value Added Tax (VAT) liability for the financial years from 2005-06 to 2007-08 is Rs. 515.78 lacs. The Company has filed appeal & stay petition against the same.
- 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. The appeal has been transferred to the High court of Bombay at Mumbai to be heard along with other similar appeals.
- Legal cases pending against the Company (net of provision) is Rs. 6959.64 lacs (Rs. 7391.01 lacs).
- Custom Appeal / show cause notice for capital goods/spare and building of JUB is Rs. 760.12 lacs. The Company is yet to file appeal.

## 9. COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and others and not provided for:

- ABG International Pvt. Ltd. – Rs. Nil lac (PY Rs. 3500.00 lac) towards procurement of Capital Equipment.
- License fees to MPT in terms of License agreement Rs. 2823.54 Lac (PY Rs. 3291.02 lac).

## 10. Previous year figure has been rearranged / regrouped wherever considered necessary.

As per our report of even date attached.  
For V. V. Kale & Co.  
Chartered Accountants  
Firm Regd. No. 000897N

Sd/-  
Vijay V. Kale  
Partner  
M. No.- 080821  
Place : Mumbai  
Dated : May 24, 2013

Sd/-  
Ashwani Kumar  
Director

Sd/-  
S. Muthuswamy  
Chief Financial Officer

For & on behalf of the Board

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

Sd/-  
J. C. F. Sequeira  
VP (Corp Affairs) and  
Company Secretary

**NOTES FORMING PART OF THE FINANCIAL STATEMENT**

(Rs. in Lacs)

	As at March 31, 2013	As at March 31, 2012		
<b>1 SHARE CAPITAL</b>				
<b>Authorised Share Capital</b>	<b>15,000.00</b>	15,000.00		
75,00,00,000 (PY: 75,00,00,000) Equity Shares of Rs. 2 each				
<b>Issued, Subscribed and Paid-up</b>				
29,46,44,090 (PY: 29,46,44,090) Equity Shares of Rs. 2 each fully paid up	<b>5,892.88</b>	5,892.88		
1.1 19,65,82,990/- (PY : 19,65,82,990) Equity Shares out of the issued, subscribed and paid up share capital were allotted on conversion/surrender of Debentures and conversion of Term Loans in earlier years.				
1.2 17,70,01,303 (PY: 17,72,42,785) Equity Shares out of the issued, subscribed and paid up capital held by ABG Shipyard Ltd, holding 60.07% (PY: 60.15%) of the paid up capital.				
<b>2 RESERVES AND SURPLUS</b>				
<b>Capital Reserve</b>				
Balance as per last Balance Sheet	<b>5,441.49</b>	5,441.49		
Add: During the year	<b>-</b>	-		
	<b>5,441.49</b>	5,441.49		
<b>Securities Premium Reserve</b>				
Balance as per last Balance Sheet	<b>386.56</b>	386.56		
Add: During the year	<b>-</b>	-		
	<b>386.56</b>	386.56		
<b>Profit and Loss Account</b>				
Balance as per last Balance Sheet	<b>(9,384.83)</b>	(10,607.25)		
Add: Profit / (Loss) for the year	<b>(981.71)</b>	1,222.42		
Net Surplus / (Deficit) in the Statement of Profit and Loss	<b>(10,366.55)</b>	(9,384.83)		
<b>TOTAL</b>	<b>(4,538.50)</b>	(3,556.79)		
<b>3 LONG-TERM BORROWINGS</b>				
	<b>As at March 31, 2013</b>	<b>As at March 31, 2012</b>		
	<b>Non- Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>
<b>Secured</b>				
<b>Term Loan</b>				
From Bank	<b>3,704.35</b>	<b>772.95</b>	4,441.03	812.39
From Others	<b>7.27</b>	<b>3,578.17</b>	2,757.23	1,928.21
	<b>3,711.62</b>	<b>4,351.12</b>	7,198.25	2,740.61
Convertible Zero Coupon Loan	<b>4,214.95</b>	-	4,215.56	-
	<b>7,926.57</b>	<b>4,351.12</b>	11,413.81	2,740.61
<b>Unsecured</b>				
Loan from Holding Company (Interest Free)	<b>2,500.00</b>	-	2,570.00	-
<b>TOTAL</b>	<b>10,426.57</b>	<b>4,351.12</b>	<b>13,983.81</b>	<b>2,740.61</b>
3.1 Term Loan from Bank consists of the following :-				
ICICI Term Loan-1		<b>1,555.14</b>		1,820.80
ICICI Term Loan-2		<b>2,916.89</b>		3,424.18
Vehicle Loan		<b>5.27</b>		8.44
<b>Total</b>		<b>4,477.30</b>		5,253.42



(Rs. in Lacs)

	As at March 31, 2013	As at March 31, 2012
3.2 Term Loan from Others. consists of the following :-		
IFCI Ltd	3,575.00	4,675.00
Others.	10.44	10.44
<b>TOTAL</b>	<b>3,585.44</b>	<b>4,685.44</b>

3.3 Payment of ICICI Term Loan and others (other than IFCI Ltd) are to be made in 28 equal instalments commencing from 15.01.2012 and is secured by first parri passu legal mortgage/charge on Fixed Assets of the Company, hypothecation of moveable assets.

3.4 Payment to IFCI is as follows :-

- Rs. 275.00 Lacs each per quarter commencing from June, 2011 to March, 2012.
- Rs. 412.50 Lacs each per quarter commencing from June, 2012 to March, 2013.
- Rs. 687.50 Lacs each per quarter commencing from June, 2013 to March, 2014.

The above Loan is secured by a Corporate Guarantee Facility given by ABG International Pvt. Ltd. and pledge of Equity Shares of ABG Shipyard Limited and Deed of Hypothecation of parripassu charge on immovable and moveable assets of the Company, both present and future.

3.5 Convertible Zero Coupon Loan(CZC)

In terms of the Scheme, the CZC Loan is interest free. The same to be converted into Equity Shares of the Company, in accordance with applicable law and pricing regulations, at the option of the lenders commencing from second anniversary of the effective date namely, 28.01.2012 and ending on the day preceeding the seventh anniversary of the effective date. To the extent that the loan has not been converted into equity shares, the same shall be convertible compulsorily on the seventh anniversary of the effective date namely, 28.01.2017. Upto the period ended 31.03.2013, the company has not received any letter exercising the option from the secured lenders for conversion of the said loans or part thereof into Equity shares.

3.6 During the year, IFCI has recalled entire loan outstanding principal along with interest of Rs. 4624.11 Lacs on December 20, 2012. The Company has paid Rs. 411.11 lacs before March 31,2013 and Rs. 2476.21 lacs paid subsequently.

#### 4 LONG TERM PROVISIONS

Provision for Gratuity	304.86	288.34
Provision for Leave Encashment	94.05	78.84
<b>TOTAL</b>	<b>398.91</b>	<b>367.18</b>

#### 5 SHORT-TERM BORROWINGS

##### Secured

Cash Credit from Bank	2,590.02	1,701.18
Bills Payable	-	1,100.43
<b>TOTAL</b>	<b>2,590.02</b>	<b>2,801.61</b>

5.1 The above Short Term Borrowings are Secured as floating charge on Current Assets of the Company including but not limited to Stock of raw materials, Work In Progress, Consumables, Stocks, Spares, Book Debts, Bills wherever situated, documents both present and future and Corporate Guarantee of ABG Shipyard Limited for Rs. 33.60 Crores.

	(Rs. in Lacs)	
	As at March 31, 2013	As at March 31, 2012
<b>6 TRADE PAYABLES</b>		
Micro, Small and Medium Enterprises	-	-
Others.	<b>2,102.92</b>	2,645.51
<b>TOTAL</b>	<b><u>2,102.92</u></b>	<b><u>2,645.51</u></b>

6.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

**Particulars.**

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years.	-	-

**7 OTHER CURRENT LIABILITIES**

Current Maturities of Long-Term Borrowings	<b>4,351.12</b>	2,740.61
Interest Accrued but not Due on Borrowings	<b>61.98</b>	60.92
Interest Accrued and Due on Borrowings	<b>104.77</b>	3.82
Advance from Customers	<b>242.26</b>	2,722.13
Duties and Taxes	<b>495.30</b>	326.92
Due to Banks	<b>19.94</b>	-
Others	<b>435.83</b>	1,058.71
<b>TOTAL</b>	<b><u>5,711.19</u></b>	<b><u>6,913.10</u></b>

**8 SHORT TERM PROVISIONS**

Provision for Gratuity	<b>57.51</b>	14.03
Provision for Leave Encashment	<b>13.04</b>	17.67
Provision for Wealth Tax	<b>0.09</b>	0.12
Provision for MAT	-	278.25
<b>TOTAL</b>	<b><u>70.65</u></b>	<b><u>310.07</u></b>

**9. FIXED ASSETS****a) Tangible Assets**

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As At 01.04.12	Additions During the year	Deletions / Adjust. During the year	As At 31.03.13	Up To 31.03.12	For the Year	Adjust / Written Back	As At 31.03.13	As At 31.03.12
1. LAND-FREEHOLD	34.79	-	-	34.79	-	-	-	34.79	34.79
2. BUILDING									
a) Office	65.12	-	-	65.12	18.34	1.06	-	45.72	46.78
b) Workshop	1,878.81	-	-	1,878.81	1,006.33	62.75	-	809.73	872.48
c) Residential Flats	49.58	-	-	49.58	17.63	0.81	-	31.14	31.95
3. PLANT & MACHINERY	18,772.99	28.22	-	18,801.20	13,034.04	1,093.36	-	4,673.81	5,738.95
4. SHIP BUILDING PLATFORM	1,670.83	-	-	1,670.83	807.08	139.18	-	724.57	863.75
5. MOTOR VEHICLE	68.93	-	-	68.93	28.36	5.20	-	35.37	40.57
6. FURNITURE & FIXTURE	106.90	0.82	0.87	106.85	103.38	1.41	0.87	2.93	3.52
7. COMPUTER	25.05	2.23	-	27.29	12.90	3.89	-	10.50	12.15
8. OFFICE EQUIPMENT	149.95	4.67	2.66	151.96	81.05	6.99	1.03	64.94	68.89
<b>TOTAL</b>	<b>22,822.93</b>	<b>35.95</b>	<b>3.54</b>	<b>22,855.34</b>	<b>15,109.10</b>	<b>1,314.64</b>	<b>1.90</b>	<b>6,433.50</b>	<b>7,713.83</b>
Previous Year	21,664.91	1,307.79	149.78	22,822.93	14,202.52	1,046.76	140.18	7,713.83	7,462.39

**b) Capital Work in Progress**

(As taken and certified by the Management)

9.1 During the previous year, Rs. 572.63 lacs incurred upto March, 2011 has been capitalised and included in Plant &amp; Machinery out of Capital Work in Progress

9.2 The Company does not have any Intangible Assets in current year and previous year

**1,586.24****658.12**

	(Rs. in Lacs)	
	As at March 31, 2013	As at March 31, 2012
<b>10 NON CURRENT INVESTMENTS</b>		
<b>Valued at Cost</b>		
<b>Unquoted Share</b>		
5000 (PY: 5000) Equity Shares of Rs. 100/ each of Janata Sahakari Bank Ltd.	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>
<b>11 LOANS AND ADVANCES</b>		
a) Unsecured, considered good		
Capital Advances	-	3,500.00
Security Deposit	63.83	55.32
Other Advances	2,500.00	-
	<b>2,563.83</b>	<b>3,555.32</b>
b) Unsecured, considered doubtful	-	575.63
	<b>2,563.83</b>	<b>4,130.95</b>
Less: Provision for Doubtful Debts	-	575.63
<b>TOTAL</b>	<b>2,563.83</b>	<b>3,555.32</b>
<b>12 OTHER NON CURRENT ASSETS</b>		
a) Long Term Trade Receivable		
i) Unsecured, considered good	2,418.18	3,413.96
ii) Doubtful	772.78	27.46
Total	<b>3,190.96</b>	<b>3,441.42</b>
Less: Provision for Doubtful Debt	-	-
<b>Balance</b>	<b>3,190.96</b>	<b>3,441.42</b>
b) Sales Tax Deducted at Source	42.56	42.56
c) Other Non Current Assets	113.76	-
<b>TOTAL</b>	<b>3,347.28</b>	<b>3,483.98</b>
12.1 Long Term Trade Receivable includes Rs. 1831.63 Lacs (P.Y. Rs. 1922.63 Lacs) receivable from PFS Shipping (India) Ltd.		
<b>13 INVENTORIES</b>		
<b>(Valued at Cost or net realisable value which is lower)</b>		
As Taken and Certified by the Management		
Work-in-Progress	429.00	9,289.20
Stores and Spares	340.08	379.49
Goods in Transit	42.36	-
<b>TOTAL</b>	<b>811.43</b>	<b>9,668.69</b>

(Rs. in Lacs)

	As at March 31, 2013	As at March 31, 2012
<b>14 TRADE RECEIVABLES</b>		
Unsecured, considered good unless stated otherwise		
Over Six months	733.64	27.83
Others	3,474.78	1,078.11
<b>TOTAL</b>	<b>4,208.42</b>	<b>1,105.94</b>

14.1 Trade Receivables includes Rs. 3,037.91 Lacs from ABG Shipyard Limited and Rs. 619.90 Lacs from PFS Shipping (India) Ltd.

#### 15 CASH AND BANK BALANCES

Balances with Banks:		
In Current Accounts	9.27	65.36
In Fixed Deposits	44.81	51.42
Cash in Hand	3.03	1.54
<b>TOTAL</b>	<b>57.12</b>	<b>118.32</b>

15.1 Fixed Deposits with Banks include Rs. 33 Lac (PY Rs. 33.00 Lac) with Maturity more than twelve months

#### 16 SHORT TERM LOANS AND ADVANCES

Advances recoverable in cash or in kind for value to be received		
Unsecured considered good	2,464.33	1,975.60
Doubtful	21.45	-
<b>TOTAL</b>	<b>2,485.78</b>	<b>1,975.60</b>

16.1 The Company has paid Rs. 1233.94 Lac (PY Rs. 932.50 Lac) to ABG Resources Private Ltd, an associate of Holding Company against future Services to be undertaken by Company. Out of the above Rs. 1200.00 lacs (PY- Rs. 900.00 lacs) kept as Security Deposit

#### 17 OTHER CURRENT ASSETS

Prepaid Income Tax (Net)	81.24	225.75
Prepaid Expenses	31.70	503.85
Advance to Staff	6.21	6.80
MAT Credit Entitlement	265.50	271.58
Deferred Revenue Expenditure	37.92	-
Other Current Assets	733.47	64.58
<b>TOTAL</b>	<b>1,156.04</b>	<b>1,072.56</b>

		(Rs. in Lacs)		
		Year Ended March 31, 2013	Year Ended March 31, 2012	
<b>18 REVENUE FROM OPERATIONS</b>				
<b>Revenue from Operations</b>				
Ship Repair Income		7,200.34	13,964.73	
<b>Other Operating Revenue</b>				
Scrap Sales		95.99	211.37	
<b>TOTAL</b>		<b>7,296.33</b>	<b>14,176.09</b>	
<b>19 OTHER INCOME</b>				
Interest on Bank Deposits		2.47	3.63	
Interest on Other		392.15	-	
Profit on Sale of Fixed Assets		-	2.45	
Insurance Claim Received		57.05	-	
Foreign Exchange Fluctuation		8.26	-	
Income on Sale of Investment		0.06	-	
Sundry Balances Written Back		85.45	3.25	
Miscellaneous Income		11.50	-	
<b>TOTAL</b>		<b>556.94</b>	<b>9.33</b>	
<b>20 COST OF MATERIALS, STORES AND SPARES CONSUMED</b>				
Opening Stock		379.49	444.55	
Add: Purchases		2,044.30	4,680.30	
Less: Closing Stock		340.08	379.49	
<b>Cost of Materials, Stores and Spares Consumed</b>		<b>2,083.72</b>	<b>4,745.36</b>	
<b>20.1 Details of Material and Components consumed</b>				
Steel		168.25	806.19	
Pipes		135.13	23.97	
Paints		65.13	174.02	
Others		1,715.20	3,741.18	
<b>Total</b>		<b>2,083.72</b>	<b>4,745.36</b>	
<b>20.2 Particulars of Materials consumed</b>				
	Year ended March 31, 2013		Year ended March 31, 2012	
	In Rupees	% of	In Rupees	% of
		Consumption		Consumption
Imported	77.03	3.70	1,616.70	34.07
Indigenous	2,006.68	96.30	3,128.66	65.93
Total	2,083.72	100.00	4,745.36	100.00
<b>20.3 Value of Imports on CIF basis in respect of</b>				
	Year ended March 31, 2013		Year ended March 31, 2012	
Materials	Nil		81.95	
Stores and Spares	65.22		1,549.81	
Capital Goods	Nil		152.70	

(Rs. in Lacs)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>21 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages and Bonus	<b>1,294.09</b>	1,205.81
Contribution to Provident and Other Fund	<b>93.60</b>	97.29
Gratuity Expense	<b>75.73</b>	45.43
Staff Welfare Expenses	<b>18.51</b>	13.09
Staff Recruitment & Training	<b>0.06</b>	0.51
<b>TOTAL</b>	<b><u>1,481.99</u></b>	<b><u>1,362.14</u></b>

21.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

#### Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under :

	2012-13	2011-12
Employer's Contribution to Provident Fund	61.13	150.64
Employer's Contribution to Pension Scheme	23.17	30.82

#### Defined Benefit Plan

The employees' gratuity fund scheme managed by MetLife Insurance Co. Pvt. Ltd. is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

#### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Rs.in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Defined Benefit obligation at beginning of year	<b>288.95</b>	257.05	<b>96.51</b>	85.28
Current Service Cost	<b>28.92</b>	24.09	<b>11.61</b>	10.72
Interest Cost	<b>25.14</b>	20.82	<b>8.40</b>	6.91
Actuarial (gain) / loss	<b>21.33</b>	0.19	<b>(2.98)</b>	(2.14)
Benefits paid	<b>(1.97)</b>	(13.20)	<b>(6.45)</b>	(4.25)
Defined Benefit obligation at year end	<b>362.37</b>	288.95	<b>107.09</b>	96.51



**II) Reconciliation of opening and closing balances of fair value of Plan Assets**

	Gratuity(Funded)	
	2012-13	2011-12
Fair value of Plan assets at beginning of year	8.46	16.88
Expected return on plan assets	0.59	1.18
Actuarial gain / (loss)	0.19	(0.08)
Employer contribution	-	3.57
Benefits paid	(1.97)	(13.10)
Fair value of Plan assets at year end	7.27	8.46
Actual return on plan assets	0.78	1.11

**III) Reconciliation of fair value of assets and obligations**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	At as March, 31		At as March, 31	
	2013	2012	2013	2012
Fair value of Plan assets	7.27	8.46	-	-
Present value of obligation	362.37	88.95	107.09	96.51
Amount recognised in Balance Sheet	355.10	280.49	107.09	96.51

**IV) Expenses recognised during the year**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Current Service Cost	28.92	24.09	11.61	10.72
Interest Cost	25.14	20.82	8.40	6.91
Expected return on Plan assets	(0.59)	(1.18)	-	-
Actuarial (gain) / loss	21.14	0.27	(2.98)	(2.14)
Net Cost	74.61	44.00	17.03	15.48

**V) Investment Details :**

	% Invested	
	2012-13	2011-12
Fund managed by Insurer	100%	100%

**VI) Actuarial assumptions**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.00%	8.70%	8.00%	8.70%
Rate of increase in Compensation levels	7.00%	7.00%	7.00%	7.00%
Expected rate of return on plan assets (per annum)	9.25%	7.00%	Unfunded	Unfunded

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors. including supply and demand in the employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering several applicable factors., mainly the composition of Plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

	(Rs. in Lacs)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>22 FINANCE COSTS</b>		
Interest On Long Term Loan	<b>900.38</b>	877.89
Interest on Vehicle Loan	<b>0.84</b>	0.78
Interest on Working Capital	<b>300.57</b>	166.15
LC Financing Charges	<b>47.48</b>	68.39
<b>TOTAL</b>	<b><u>1,249.26</u></b>	<b><u>1,113.20</u></b>

(Rs. in Lacs)

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>23 OTHER EXPENSES</b>		
<b>Direct Expenses</b>		
Sub-Contractor Expenses	972.09	2,798.07
Customs & Clearing Charges	24.18	51.25
Power & Fuel	299.37	346.33
Piloting Expenses	1.60	3.36
Dredging Expenses	37.92	19.80
Hire Charges - Machinery	38.62	63.86
Repair & Maintenance - P&M	83.27	60.73
Discount on Ship Repair	106.79	200.34
Safety Expenses	3.32	3.68
Customer Claim	93.89	-
Testing & Survey Charges	37.35	24.24
	<b>1,698.39</b>	<b>3,571.66</b>
<b>Establishment Expenses</b>		
Advertisement Expenses	3.69	4.26
Agency Commission	66.22	-
Bank Charges & Commission	20.22	89.15
Business Promotion	8.74	7.95
Misc. Expenditure Written Off	-	24.96
Directors Sitting Fees	1.44	1.14
Fees & Dues	4.66	5.63
Foreign Exchange Fluctuation	-	48.31
Insurance	75.10	68.41
Lease Rent	428.91	458.90
Loss on Sale of Fixed Assets/ Written off	0.11	6.57
Office & Establishment Expenses	216.10	182.15
Auditors Remuneration	12.50	10.67
Printing & Stationary	11.53	18.66
Legal & Professional Charges	55.51	32.76
Rent	2.83	1.59
Rates & Taxes	0.18	3.55
Repair & Maintenance - Yard	47.94	27.10
Repair & Maintenance - Building	20.00	30.61
Repair & Maintenance - Others	104.32	116.81
Service Provider Charges	53.40	60.00
Telephone Charges	28.51	24.96
Travelling & Conveyance	119.75	132.13
Miscellaneous Expenses	31.36	16.60
	<b>1,313.02</b>	<b>1,372.88</b>
<b>TOTAL</b>	<b>3,011.41</b>	<b>4,944.53</b>

	(Rs. in Lacs)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>23.1 Miscellaneous Expenditure</b>		
ISO Expenses	2.54	3.02
Miscellaneous Expenses	1.13	7.30
Hire Charges - Vehicles	3.57	4.17
Interest on Others	21.14	-
Other Expenditure	2.98	2.12
	<b>31.36</b>	<b>16.60</b>
<b>23.2 Payment to Auditors.</b>		
Statutory Audit	9.00	6.74
Tax Audit	2.00	2.25
Other Matter	1.50	1.69
	<b>12.50</b>	<b>10.67</b>
<b>23.3 Earning in Foreign Exchange</b>	<b>3,886.42</b>	Nil
<b>23.4 Expenditure in Foreign Currency</b>	<b>492.04</b>	Nil
<b>23.5 Earnings Per Share (EPS)</b>		
a) Profit/(Loss) for the year (In Rs.)	<b>(98,171,310)</b>	122,242,011
b) No. of Equity Shares considered for Earning per Share	<b>294,644,090</b>	294,644,090
c) Basic and Diluted Earning per Share (Rs.)	<b>(0.33)</b>	0.41
d) Face Value per Equity Share (Rs.)	<b>2</b>	2

[illegible]



## WESTERN INDIA SHIPYARD LIMITED

REGD. OFFICE : P.B. NO. 21, MORMUGAO HARBOUR, MORMUGAO, GOA - 403 803.

### ADMISSION SLIP (TO BE PRESENTED AT THE ENTRANCE)

I/we hereby record my/our presence at the 21<sup>st</sup> Annual General Meeting of Western India Shipyard Limited on 21<sup>st</sup> day of September, 2013 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

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## WESTERN INDIA SHIPYARD LIMITED

REGD. OFFICE : P.B. NO. 21, MORMUGAO HARBOUR, MORMUGAO, GOA - 403 803.

### 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 21<sup>st</sup> Annual General Meeting to be held on 21<sup>st</sup> day of September, 2013 at 11.00 a.m. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013

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 than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.







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P.O. Box No. 21,  
Mormugao Harbour,  
Mormugao, Goa 403 803