BHARATI SHIPYARD LIMITED

REGD. OFFICE : 302, WAKEFIELD HOUSE, SPROTT ROAD, BALLARD ESTATE, MUMBAI - 400 001, MAHARASHTRA

CIN No. : L61100MH1976PLC019092

PART - I

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2014

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year Ended
		30.06.2014 Unaudited	31.03.2014 Audited	30.06.2013 Unaudited	31.03.2014 Audited
1	**Income from Operations**				
	(a) Net Sales / Income from Operations	1,000.86	507.04	14,083.96	17,856.47
	(b) Other Operating Income	701.78	791.19	-	858.36
	Total Income from Operations (a+b)	**1,702.64**	**1,298.23**	**14,083.96**	**18,714.83**
2	**Expenses:**				
	(a) Cost of materials consumed	1,801.40	100.42	12,554.26	16,599.16
	(b) Employee benefit expense	1,470.97	1,473.70	2,435.74	9,551.76
	(c) Depreciation and amortization expense	1,446.65	1,205.17	1,297.65	4,939.92
	(d) Other expenses	874.46	4,137.07	1,708.30	11,482.66
	Total Expenses	**5,593.48**	**6,916.36**	**17,995.95**	**42,573.50**
3	**Profit / (Loss) from operations before other Income, finance cost and exceptional items (1-2)**	-3,890.84	-5,618.13	-3,911.99	-23,858.67
4	Other Income	487.34	791.51	18.37	1,586.09
5	**Profit / (Loss) from ordinary activities before finance cost and exceptional items (3+4)**	**-3,403.50**	**-4,826.62**	**-3,893.61**	**-22,272.58**
6	Finance cost	14,643.35	9,532.50	11,981.54	51,184.26
7	**Profit / (Loss) from ordinary activities after finance cost but before exceptional items (5-6)**	**-18,046.85**	**-14,359.12**	**-15,875.15**	**-73,456.84**
8	Exceptional items	-	29,127.30	-	29,127.30
9	**Profit / (Loss) from ordinary activities before tax (7-8)**	**-18,046.85**	**-43,486.42**	**-15,875.15**	**-1,02,584.14**
10	Tax expense	-	-14,191.16	-1,469.80	-18,310.71
11	**Net Profit / (Loss) from ordinary activities after tax (9-10)**	**-18,046.85**	**-29,295.26**	**-14,405.35**	**-84,273.43**
12	Extraordinary items	-	-	-	-
13	**Net Profit / (Loss) after Tax for the period (11-12)**	**-18,046.85**	**-29,295.26**	**-14,405.35**	**-84,273.43**
14	Paid - up Equity Share capital (Face value of Rs 10/- per share)	5,029.89	5,029.89	3,845.24	5,029.89
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	-	-	-	-25,453.75
16	**Earning per share (before extraordinary items)**	-35.88	-58.24	-37.46	-189.15
	Basic & Diluted Earnings per share of Rs.10/- each (Rs) (not annualised)				
17	**Earning per share (after extraordinary items)**	-35.88	-58.24	-37.46	-189.15
	Basic & Diluted Earnings per share of Rs.10/- each (Rs) (not annualised)				

BHARATI SHIPYARD LTD. MUMBAI

PART -II					
A	**SELECT INFORMATION FOR THE QUARTER ENDED 30TH JUNE 2014**				
	PARTICULARS OF SHAREHOLDING				
1	**Public Shareholding**				
	- Number of Shares	1,73,60,969	1,73,60,969	1,73,60,969	1,73,60,969
	- Percentage of Shareholding	34.52%	34.52%	45.15%	34.52%
2	**Promoters and Promoter Group Shareholding**				
	(a.) Pledged / Encumbered				
	Number of shares	3,29,37,973	1,43,26,795	30,00,000	1,43,26,795
	Percentage of Shareholding(as a % of total shareholding of promoter and promoter group)	100.00%	43.50%	14.22%	43.50%
	Percentage of Shareholding(as a % of total share capital of the company)	65.48%	28.48%	7.80%	28.48%
	(b.) Non - Encumbered				
	Number of shares	NIL	1,86,11,178	1,80,91,371	1,86,11,178
	Percentage of Shareholding(as a % of total shareholding of promoter and promoter group)	0.00%	56.50%	85.78%	56.50%
	Percentage of Shareholding(as a % of total share capital of the company)	0.00%	37.00%	47.05%	37.00%
B	**INVESTOR COMPLAINTS**				
	Pending at the beginning of the quarter	NIL			
	Received during the quarter	4			
	Disposed off during the quarter	4			
	Remain Unresolved at the end of the quarter	NIL			



NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2014

1 The above results for the quarter ended 30th June, 2014 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 19, 2015.

2 The Company has stated the Work in Progress ("WIP") in the financial statements at Rs. 3,62,997 lakhs as on 30th June 2014. As explained in note 31 of the audited financial statements for the year ended 31st March, 2014, the Work-in-Progress as on Balance Sheet date has been valued at Rs.3,63,049 lakhs by the Independent Valuer which is lower than the book value by Rs. 36,607 lakhs. The Management of the Company believes that the value of Work-in-Progress as reflected in the financial statements is fair and reasonable considering the nature of the business and improving market conditions. The Management is confident that upon completion of the vessels under construction, the above mentioned assumption of the Independent Valuer of perceived reduction in revenue and increased cost would be recovered on account of increased market price of the vessels. Hence in the opinion of the management, no provision for the excess WIP is considered necessary.

3 As on quarter ended on 30th June, 2014, the Deferred tax asset (Net) is stated at Rs. 16,281 lakhs. The Management of the Company is confident of financial restructuring and reviving the operations to achieve optimum utilization of its infrastructure. Accordingly, the Management believes that there would be sufficient future taxable profits against which the accumulated losses would be set off and therefore the above Deferred tax asset (Net) has been continue to be recognised by the Company.

4 The banks have made payments aggregating to Rs. 85,025 lakhs on account of bank guarantees invoked by the Customers along with Interest of Rs. 28,591 lakhs and foreign exchange variation of Rs.32,843 lakhs upto the quarter ended on 30th June, 2014. The banks have charged interest of Rs. 13,211 lakhs on the aforementioned payments against invoked bank guarantees upto the quarter ended on 30th June, 2014.. The Management is of the opinion that the payments under the invoked bank guarantees are made by the banks without following due process of law and even in cases wherein the legal proceedings were pending before various jurisdictional tribunals / courts. Accordingly, the Company has filed a case before the City Civil Court Mumbai against such banks which is pending for disposal. Pending the legal proceedings in the above matter, the Company has not given effect to the above payments made by the Banks to the customers against invoked bank guarantees. The Company continues to reflect advances received from customers under the said contracts even in cases wherein the payments have been made by the Banks against invoked bank guarantees.

5 The Company has recognised for subsidy of Rs 84,178 lakhs under Ship Building Subsidy Scheme in earlier years and has already received Rs 19,385 lakhs till quarter ended June 30, 2014 and the balance Subsidy receivable from Government of India as on June 30, 2014 is Rs 64,793 lakhs. The said subsidy have been recognised by the Company on the basis of Shipbuilding Subsidy scheme of the Government of India. The Company has been complying with the terms of the said scheme and has already received part of the Subsidy on vessels delivered by the Company. The Shipyards Association of India, of which the Company is a member, has also held several discussions with the Ministry of Shipping on the subject and the association has been assured by the Ministry of the commitment of the Government on the Shipbuilding Subsidy scheme as announced by the Government. Further, as detailed in note 8 of the statement of unaudited financial results, the Company is confident of financial restructuring and reviving the operations and completing the vessels under construction in respect of which the aforementioned Subsidy is receivable.

6 The Company has requested all lenders/banks/EARC (Edelweiss Asset Reconstruction Company) for the balance confirmations. However, due to non service of interest and instalment due, some of the lenders/banks/EARC have not provided balance confirmations as on 30th June 2014 and the accounts are finalised based on latest available bank/loan statements. Accordingly, interest have been provided on estimate rates on simple interest method on outstanding Loans. Further, due to unavailability of the confirmations, the Company has not accounted for the interest income on the Margin Money Deposits with Banks.

7 a) The Company had made loans and advances of Rs. 91,048 lakhs to its subsidiaries for investment in GOL Offshore Ltd (GOL). As per the latest audited financial statements of GOL as on 31st March 2014 and quarterly results for the period ended 31st December 2014, there are continuing defaults in repayment of loans including invokation of some of the corporate guarantees and cash flows of GOL are under financial stress. However GOL is making all efforts for early settlement of dues by taking various corrective initiatives and continuous negotiation with bankers for restructuring of its debts. In the opinion of the management, the diminution in value of investment and loan and advances, if any, is temporary in nature as such no provision for the same is considered necessary.

b) The Company had made loans and advances of Rs. 8,499 lakhs to its subsidiary for investment in Tebma Shipyard Limited(TSL). As per the latest audited financial statements as on 31st March 2014, TSL is incurring cash losses, its net worth is eroded and its cash flows are under stress. The management is of the opinion that investment made in TSL is strategic and in value chain of core business of the Company and the diminution in value of investment and loan and advances is temporary in nature, if any and as such no provision for the same is considered necessary.

c) The Company has made investments including loans and advances aggregating to Rs 3,185 lakhs in Bengal Shipyard Limited (Bengal). As per the latest audited statements as on 31st March 2014, Bengal is yet to start its business operations and is in process of acquisition of lands and construction of assets. Even though there is delay in commencement of business operations and management is confident of cash flows of the business and hence management is of the opinion that investment made in Bengal is strategic and long term in nature and no provision for the same is considered necessary for depletion, if any, in the value of investments and loans and advances given by the company.



8	The Company's operating results are materially affected due to factors such as global meltdown in Shipbuilding Industry, huge finance costs and part implementation of Restructuring Scheme. The Company has incurred Net Loss of Rs. 18,047 lakhs for the quarter ended on 30th June, 2014. As of this date, the Company's total liabilities exceed its total assets by Rs 34,477 lakhs and its networth has been fully eroded. The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. The Company is exploring various options of financial restructuring and is in discussions with lenders and other institutions to raise finance for revival of its operations. Upon revival, the Company will be able to make optimum utilisation of its green field facilities, renegotiate its contracts and complete the under construction vessels to generate future cash flows. The Company believes that these measures will not only generate cash flows for revival but will also result in future orders and consequently sustainable cash flows. The Promoters also continue to be committed to providing the required operational and financial support to Company in the foreseeable future. Further that up to 30th June, 2014, some of the lenders have assigned their debts to Edelweiss Asset Reconstruction Company (EARC) and as of current date, few more lenders have assigned their debts to EARC. EARC is also coming up with various stage wise restructuring plans for debts to curtail the financial burden of the business cash flows in addition to business operation and management strategy. In view of the foregoing scenarios as referred above, the Company's financial statements have been prepared on a going concern assumption which is considered appropriate .
9	In the opinion of the Management, Current Assets and Loans and Advances have the value at which they are stated in the financial statement as on 30th June, 2014, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
10	The figures for the last quarter of previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
11	The comparatives figures are regrouped and reclassified to meet current quarter's classification.

For Bharti Shipyard Limited

BHARTI SHIPYARD LTD. MUMBAI

P. C. Kapoor
Managing Director

Place: Mumbai
Date: 19th February, 2015.

BHARATI SHIPYARD LIMITED

SEGMENT WISE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH,JUNE 2014

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended			Year ended
		30-06-2014	31-03-2014	30-06-2013	31-03-2014
		Unaudited	Audited	Unaudited	Audited
1	**Segment Revenue**				
	Net Sales / Operating Income				
	(a) Ship Manufacturing	1,381.45	1,230.30	13,664.28	17,544.47
	(b) Wind Power	321.19	67.93	438.05	1,170.36
	Total Net Sales / income from Operations	**1,702.64**	**1,298.23**	**14,102.33**	**18,714.83**
2	**Segment Results**				
	Profit / (Loss) after depreciation and before Finance Cost, Exceptional Item and Tax				
	(a) Ship Manufacturing	(4,146.49)	(5,492.10)	(4,159.39)	(24,304.27)
	(b) Wind Power	255.65	(126.03)	265.77	445.61
	Total	**(3,890.84)**	**(5,618.13)**	**(3,893.62)**	**(23,858.66)**
	Less: (i) Finance Cost	14,643.35	9,532.50	11,981.54	51,184.26
	(ii) Exceptional Items	-	29,127.30	-	29,127.30
	Add: Unallocated Income	487.34	791.51		1,586.09
	Total Profit / (Loss) Before Tax	**(18,046.85)**	**(43,486.42)**	**(15,875.16)**	**(1,02,584.13)**
3	**Capital Employed**				
	(Segment assets – Segment Liabilities)				
	(a) Ship Manufacturing *	(30,398.48)	(14,467.37)	60,937.97	(14,467.37)
	(b) Wind Power	2,501.91	6,309.73	6,088.97	6,309.73
	(c) Unallocated **	(6,580.71)	(12,061.58)	-	(12,061.58)
	Total	**(34,477.28)**	**(20,219.22)**	**67,026.94**	**(20,219.22)**

* including Capital Work-in Progress

** In absence of relevant information, we have not regrouped corresponding figures of quarter ended June 30, 2013 for determining Capital Employed.

Place: Mumbai
Date: 19th February, 2015

BHARATI SHIPYARD LTD. MUMBAI

For Bharati Shipyard Limited

Managing Director