

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED
(Formerly known as BHARATI SHIPYARD LIMITED)

REGD. OFFICE : 302, WAKEFIELD HOUSE, SPROTT ROAD, BALLARD ESTATE, MUMBAI - 400 001, MAHARASHTRA
CIN No. : L61100MH1976PLC019092

PART - I
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

(Rs. in Lakhs)

Sr. No.	Particulars	For the Quarter Ended			For The Half Year Ended		For The Year Ended
		30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	30.09.2015 Unaudited	31.03.2016 Audited
1	Income from Operations						
	(a) Net Sales / Income from Operations	285.00	90.00	400.30	375.00	1,167.57	4,705.17
	(b) Other Operating Income	672.29	345.71	168.08	1,018.00	496.89	1,098.59
	Total Income from Operations (a+b)	957.29	435.71	568.38	1,393.00	1,664.46	5,803.76
2	Expenses:						
	(a) Cost of materials consumed	2,246.87	1,032.72	1,221.98	3,279.59	2,556.69	6,867.46
	(b) Employee benefit expense	682.29	715.90	1,052.41	1,398.19	2,125.48	4,337.93
	(c) Depreciation and amortization expense	1,510.74	1,497.82	1,498.73	3,008.56	3,049.31	6,094.00
	(d) Other expenses	1,316.45	2,104.98	2,885.50	3,421.43	5,113.15	6,348.09
	Total Expenses	5,756.35	5,351.42	6,658.62	11,107.77	12,844.63	23,647.48
3	Profit / (Loss) from operations before other Income, finance cost and exceptional items (1-2)	(4,799.06)	(4,915.71)	(6,090.24)	(9,714.77)	(11,180.17)	(17,843.72)
4	Other Income	458.75	123.16	59.43	581.90	1,235.07	993.83
5	Profit / (Loss) from ordinary activities before finance cost and exceptional items (3+4)	(4,340.31)	(4,792.55)	(6,030.81)	(9,132.87)	(9,945.11)	(16,849.89)
6	Finance cost	3,266.57	3,055.48	4,470.77	6,322.05	22,826.71	31,941.01
7	Profit / (Loss) from ordinary activities after finance cost but before exceptional items (5-6)	(7,606.88)	(7,848.03)	(10,501.57)	(15,454.92)	(32,771.81)	(48,790.90)
8	Exceptional items (Refer Note No 16)	1,280.85	-	-	1,280.85	-	2,12,145.75
9	Profit / (Loss) from ordinary activities before tax (7-8)	(8,887.74)	(7,848.03)	(10,501.57)	(16,735.76)	(32,771.81)	(2,60,936.64)
10	Tax expense (Refer Note No 17)	-	1,01,135.65	(3,504.73)	1,01,135.65	(3,782.81)	(71,137.63)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(8,887.74)	(1,08,983.68)	(6,996.84)	(1,17,871.41)	(28,989.00)	(1,89,799.01)

For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

Managing Director Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (Formerly known as BHARATI SHIPYARD LIMITED) REGD. OFFICE : 302, WAKEFIELD HOUSE, SPROTT ROAD, BALLARD ESTATE, MUMBAI - 400 001, MAHARASHTRA CIN No. : L61100MH1976PLC019092							
							(Rs. in Lakhs)
Sr. No.	Particulars	For the Quarter Ended			For The Half Year Ended		For The Year Ended
		30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	30.09.2015 Unaudited	31.03.2016 Audited
12	Extraordinary items	-	-	-	-	-	-
13	Net Profit / (Loss) for the period after Tax (11-12)	(8,887.74)	(1,08,983.68)	(6,996.84)	(1,17,871.41)	(28,989.00)	(1,89,799.01)
14	Paid - up Equity Share capital (Face value of Rs 10/- per share)	5,029.89	5,029.89	5,029.89	5,029.89	5,029.89	5,029.89
15	Reserves excluding Revaluation Reserves as per Balance Sheet of previous accounting year	N.A	N.A	N.A	N.A	N.A	(3,01,911.87)
16	Earning per share (before extraordinary items)	(17.67)	(216.67)	(13.91)	(234.34)	(57.63)	(377.34)
	Basic & Diluted Earnings per share of Rs.10/- each (Rs) (not annualised)						
17	Earning per share (after extraordinary items)	(17.67)	(216.67)	(13.91)	(234.34)	(57.63)	(377.34)
	Basic & Diluted Earnings per share of Rs.10/- each (Rs) (not annualised)						



For BHARATI DEFENCE AND INFRASTRUCTURE LTD.
P. C. Kulkarni
 Managing Director / Managing Director

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED
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CIN No. : L61100MH1976PLC019092

PART -II

A SELECT INFORMATION FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2016

PARTICULARS OF SHAREHOLDING

1 Public Shareholding	2,98,86,661	1,73,60,969	1,73,60,969	2,98,86,661	1,73,60,969	1,73,60,969
- Number of Shares	59.42%	34.52%	34.52%	59.42%	34.52%	34.52%
- Percentage of Shareholding						
2 Promoters and Promoter Group Shareholding						
(a.) Pledged / Encumbered	2,04,12,281	3,29,37,973	3,29,37,973	2,04,12,281	3,29,37,973	3,29,37,973
Number of shares						
Percentage of Shareholding(as a % of total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Percentage of Shareholding(as a % of total share capital of the company)	40.58%	65.48%	65.48%	40.58%	65.48%	65.48%
(b.) Non - Encumbered	-	-	-	-	-	-
Number of shares						
Percentage of Shareholding(as a % of total shareholding of promoter and promoter group)	-	-	-	-	-	-
Percentage of Shareholding(as a % of total share capital of the company)	-	-	-	-	-	-
B INVESTOR COMPLAINTS						
Pending at the beginning of the quarter	NIL					
Received during the quarter	NIL					
Disposed off during the quarter	NIL					
Remain Unresolved at the end of the quarter	NIL					

For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

P.C. Kapoor
Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED
(Formerly known as BHARATI SHIPYARD LIMITED)

STATEMENT OF STANDALONE ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2016

(Rs. in Lakhs)

Sr.No	Particulars	As at 30th September, 2016	As at 31st March, 2016
A	EQUITY AND LIABILITIES		
1	Shareholders Fund		
	a) Share Capital	5,029.89	5,029.89
	b) Reserves and Surplus	(4,19,578.66)	(3,01,707.24)
	c) Money received against share warrants	145.60	145.60
	Sub - Total Shareholders Fund	(4,14,403.16)	(2,96,531.75)
2	Non - Current Liabilities		
	a) Long Term Borrowings	236.00	216.98
	b) Other long term liabilities	-	15.00
	c) Long Term Provisions	337.93	289.58
	Sub - Total Non - Current Liabilities	573.93	521.57
3	Current Liabilities		
	a) Short Term Borrowings	18,745.27	18,650.86
	b) Trade Payables	14,114.04	14,512.52
	c) Other Current Liabilities (Refer Note 18)	9,30,965.32	9,26,292.40
	d) Short Term Provisions	2,421.78	2,388.76
	Sub - Total - Current Liabilities	9,66,246.42	9,61,844.55
	TOTAL EQUITY AND LIABILITIES	5,52,417.19	6,65,834.37
B	ASSETS		
1	Non - Current Assets		
	a) Fixed Assets	92,825.19	95,832.13
	(i) Tangible Assets	75,837.82	78,843.97
	(ii) Intangible Assets	4.10	5.67
	(iii) Capital Work-in-progress	16,983.27	16,982.49
	b) Non Current Investments	152.26	152.26
	c) Deferred Tax Assets	-	1,01,135.63
	d) Long Term Loan and Advances	96,810.68	96,813.66
	e) Other Non Current Assets	48,603.21	48,840.01
	Sub-Total - Non - Current Assets	2,38,391.34	3,42,773.69
2	Current Assets		
	a) Current Investments	0.12	0.12
	b) Inventories	2,96,184.82	2,98,979.57
	c) Trade Receivables	2,179.39	2,267.01
	d) Cash and Bank Balances	7,582.21	13,490.46
	e) Short Term Loans and Advances	8,079.30	8,323.51
	Sub-Total - Current Assets	3,14,025.84	3,23,060.68
	Total Assets	5,52,417.19	6,65,834.37

For BHARATI DEFENCE AND INFRASTRUCTURE LTD

Managing Director

Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 14th November, 2016.
- 2 The Company is constructing various vessels ordered from international as well as domestic customers including Government of India-Ministry of Defence. The company has issued refund bank guarantees to customers against various advance stage payments received by the Company. Several of these customers had cancelled the ship building contracts entered into with the Company and invoked the Bank Guarantees and Banks have made payment aggregating to Rs. 1,71,290.70 Lakhs on account of bank guarantee invoked by the customers, along with Interest of Rs.31,430.62 Lakhs and foreign exchange variation of Rs. 32,845.45 Lakhs upto 31st December, 2015 and has charged further interest of Rs.9,027 Lakhs on such invoked bank guarantee payments upto 31st December, 2015. Based on the prudent accounting norms, during the quarter ended 31st December, 2015, company had given effect for the above payments made by the Banks to the customers against invoked bank guarantees in books of accounts.

However, the Company continue to believe that the payments under the invoked bank guarantees made by the banks are without following due process of law and even in cases wherein the legal proceedings were pending before various jurisdictional tribunals / courts. Accordingly, the Company will continue with a suit before the Hon'ble City Civil Court Mumbai against such banks, which is pending for disposal.

- 3 Trade receivable includes outstanding subsidy receivable from Government of India of Rs. 42,238.11 Lakhs as on 30th September 2016. The said subsidy have been recognised by the Company on the basis of erstwhile Shipbuilding Subsidy scheme of the Government of India and recomputed in financial year 2015-16 after taking effect of revised Financial Assistance Policy for Indian Shipbuilders. The Company has been complying with the terms of the said scheme and has already received part of the Subsidy in earlier years on vessels delivered by the Company. Further, in respect of vessels delivered, the Government of India has retained a part of the subsidy amount to be released at a future date subject to certain compliances. Upon completion of the various vessels under construction, the Government of India will release the subsidy amount as well as the retention amounts upon completion of compliances. 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. 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.

For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

S. C. Kapoor
Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

- 4 The Company has incurred Net Loss of Rs. 8,887.74 Lakhs and Rs 1.17.871.41 Lakhs for the quarter and half year ended 30th September 2016. As of this date, the Company's total liabilities exceed its total assets by Rs. 4,14,548.76 Lakhs and its net-worth has been fully eroded. As on 30th September 2016, 18 winding up petitions are filed by various creditors against the Company including LIC of India, one of the secured creditors out of which settlement terms are signed by the company for 3 creditors.

The Company is implementing various long-term measures to improve its cash flow and revival of the operations of the Company. As on 30th September 2016, 18 secured lenders including Lead Bank "State Bank of India" have assigned their debts to Edelweiss Asset Reconstruction Company (EARC). In addition to that, during the quarter, ECL Finance Limited (ECL) has also assigned their debts to EARC.

Further, the reference filed by the company with BIFR was dismissed vide order dated 10.08.2016. Being aggrieved by the order, the company filed an appeal before Appellate Authority for Industrial and Financial Reconstruction (AAIFR) on 02.09.2016 and the same has been registered by AAIFR vide their letter dated 07.10.2016. The appeal filed with AAIFR had come up for hearing on 26.10.2016 and has been adjourned to 07.12.2016.

The Company with the help of Lead lender EARC is in process of drafting long term restructuring plan to revive the business keeping the interest of all the stake holders of the Company. This will help the Company to bring current debt at sustainable level so that the Company will be able to service its secured and unsecured creditors. EARC is also proposing to come 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. Upon revival, the Company will be able to make optimum utilisation of its green field facilities, renegotiate its contracts and complete 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.

In addition to that, the Government of India has included shipyards undertaking shipbuilding and ship-repair under the Harmonized list of Infrastructure Sectors. With this inclusion, the financial stress which the stand alone shipyards are experiencing will be eased substantially. Shipyards will be able to avail flexible structuring of long term project loans, long term funding from Infrastructure Funds at lower rates of interest and longer tenure equivalent to the economic life of their assets, relaxed ECB norms, issuance of infrastructure bonds for meeting working capital requirements as well as benefits under Income Tax Act, 1961. Further, the Government of India has also announced various measures to promote ship building in India which inter alia includes:

- a. Financial assistance of 20% of the contract value or fair price of the vessel whichever is lower for the ships built by the Indian shipyards,
- b. Right of First Refusal on the ships procured by the Government agencies and
- c. Exemption of duties and taxes on all the inputs used for shipbuilding whether procured within India or imported.

For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

R.C. Kapoor
Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

Further, Government of India has directed the Defence Public Sector Unit (DPSU) engaged in ship building exclusively for Indian Navy, to outsource activities to private shipyards. The Government of India has also announced Indian Naval Indigenization Plan (INIP) which aims at indigenizing many of the components that are currently imported. This will give a huge opportunity to Indian shipyards to collaborate with partners abroad for manufacturing these components in India for the Defence requirements. With these measures, the ship building activity in India is likely to grow manifold in the near future.

In view of the foregoing, the Company's financial statements have been prepared on a going concern basis whereby the realization of assets and discharge of liabilities are expected to occur in the normal course of business.

- 5 a) The Company had given loans and advances of Rs. 91,048.18 Lakhs to its subsidiaries for investment in GOL Offshore Ltd (GOL). The net receivable from GOL on account of trade and other receivables is Rs. 3,279.95 Lakhs. GOL has been incurring cash losses and its cash flows are under stress. Further there are continuing defaults in repayment of loans including invocation of some of the corporate guarantees and in some cases recovery / winding up proceedings have been initiated. The proposal to invoke Strategic Debt Restructuring (SDR) initiated by lenders of GOL through Joint Lenders Forum (JLF) have been accepted by majority of the lenders of GOL and have been given effect on 23rd August, 2016. This will reduce the debt burden of GOL and consequent interest liability in future. Further, GOL is making all efforts for early settlement of dues by taking various corrective initiatives including alternate funding arrangements. Being investment in GOL is strategic and long term in nature and hence loans and advances given and trade and other receivables are fully recoverable and hence no provisioning for the same is considered necessary.
- b) The Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary for investment in Tebma Shipyards Limited (TSL). The net receivable from TSL on account of trade and other receivables is Rs. 92.89 Lakhs. TSL has been incurring cash losses and its net worth is fully eroded and its cash flows are under stress. TSL is also undergoing Corporate Debt Restructuring. Accordingly Company has made provision for non recoverability of loans and advances from its subsidiary Rs. 3,498.23 Lakhs and non recoverability of trade and other receivables Rs. 86.22 Lakhs from TSL during quarter ended 31st March, 2016, based on the impairment in value of investment in TSL. Being investment made in TSL is strategic and long term and in value chain of core business of the Company and hence loans and advances given and trade and other receivables (net of provisions) are fully recoverable and no further provisioning for the same is considered necessary.
- 6 The Company has requested all lenders/banks/EARC (Edelweiss Asset Reconstruction Company) for the balance confirmations. However, due to non service of interest, instalments and other dues, some of the lenders/banks and EARC have not provided balance confirmations as on 30th September, 2016 and the accounts are finalised based on latest available bank/loan statements. Accordingly, interest and other dues have not been provided on outstanding secured loans and other debt facility if any (funded as well as non funded) assigned to EARC in absence of terms of assignment/ term sheet. Similarly company has not provided for interest and other dues on secured loans for which company has received any recall notice, in respect of which interest has not been charged in the statement by banks and NPA accounts for which it has not received any statement from banks or in respect of which interest has not been charged in the statement by banks. In respect of other bank loans, interest and other dues have been accounted for as per statements received from lenders.



For BHARATI DEFENCE AND INFRASTRUCTURE LTD

P. C. Kapoor
Managing Director

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

- 7 Company is in the process of strengthening its policies, procedures and overall controls in order to provide proper evidences regarding recoverability of receivables, valuation of work in progress and accounting for direct and indirect taxes including other statutory compliances and timely and proper recording of the revenue and expenses transaction. However due to deep financial problems including continuous losses and global meltdown in ship building business since last few quarters as experienced by the company, the same is standstill. However In view of ongoing developments, company views this as temporary phenomenon only. Further delay if any, in accounting for the revenue or expenses or other transactions or statutory compliances does not have any material impact on the unaudited financial result.
- 8 Company is in the process of reconciliation of accounts at reasonable intervals and obtaining balance confirmation as at quarter end with respect to its Trade Receivables, Loan and Advances, Trade Payables and other liabilities. The carrying amount of Trade receivables, Loans and Advances, Trade Payable and other liabilities are approximately of the value as stated, if realised/ paid in the ordinary course of business.
- 9 The Company had allotted 3,20,00,000 Optionally Convertible Warrant in the year 2012-2013 by way of a preferential allotment to the promoters on the conversion terms of one Equity shares of Rs. 10/- each at a premium of Rs. 69.12 Per equity shares. The said issue was in compliance with SEBI ICDR Guidelines for preferential issue. As per the said guidelines, the option to exercise the right for conversion was available to the holders not later than 18 months from the date of allotment. Out of the above, 1,86,11,178 Optionally convertible warrant were converted into equity shares @ total issue price of Rs. 79.12 per warrant till financial year 2013-2014 against receipt of total consideration from the holders on proportionate basis. The promoters have made further part payment of Rs. 4,194.31 Lakhs against the balance allotment of share warrant. Against such unappropriated amount of share warrant application money of Rs. 4,194.31 Lakhs, the company has allotted 26,05,325 equity shares to applicants at issue price of Rs. 79.12 per equity share on 30th July, 2016 and said allotment is subject to pending approval from BSE and NSE. Further to that, the company is in the process of obtaining expert opinion for legal position with respect to said allotment of equity shares and balance amount of unappropriated share warrant application money of Rs. 2,132.98 Lakhs and its disclosure and accounting treatment.



For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

P. C. Kapoor
Managing Director Managing Director

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

- 10 Ministry of corporate affairs vide notification dated 29th August, 2014 has amended schedule II to the Companies Act, 2013 requiring mandatory componentisation of assets for financial statements in respect of financial year commencing on or after 1st April, 2015. The company is in process of technical evaluation of componentisation of fixed assets and useful life thereof and identifying significant part of assets qualifying for component accounting.
- 11 The Company has not provided for impairment loss as required by Accounting Standard 28 "Impairment of Assets", being, the 'recoverable amount' of fixed assets (including capital work in progress) is more than their carrying value and accordingly as such no amount needs to be recognised as impairment loss.
- 12 The Company carries out physical verification of inventory of raw materials and component at respective yards as at year end and hence inventory of raw materials and components lying at various yards as on 30th September, 2016 is taken as certified by the respective yard managers. The difference, if any, upon reconciliation of physical verification of inventory of raw materials lying at various yards with book stock will not be of significance and have any material impact on the unaudited financial result of the company.
- 13 In absence of terms of assignment/ term sheet with respect to secured loans assigned to EARC by lenders, secured loans including bank guarantee & other debt facility if any (funded as well as non funded) assigned to EARC by lenders over a period of time, being payable on demand have been classified as current liabilities in Statement of Assets and Liabilities. All NPA Accounts, being payable on demand, have been classified as Current Liabilities in Statement of Assets and Liabilities. Compulsory Convertible Debentures issued as a part of CDR scheme is classified as Current Liabilities in Statement of Assets and Liabilities upon subsequent revocation of CDR scheme by CDR EG vide its letter dated 21st August, 2015. Other loans have been classified as Current or Non Current in Statement of Assets and Liabilities, based on the classification criteria as prescribed in general instructions to schedule III of the Act.
- 14 Company has initiated the process for appointment of Internal Auditor as required under provisions of section 138 of Companies Act, 2013. However considering the present operational and financial position of the company, company is finding very hard to appoint internal auditor in cost effective manner.
- 15 The company is in the process of transferring unpaid dividend amount of Rs 5.80 Lakhs for F.Y. 2008 -2009, as required to be transferred by 5th November, 2016, to the Investor Education and Protection Fund.

For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

P. C. Kulkarni
Managing Director

P. C. Kulkarni
Managing Director



BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)						
NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016						
16	Exceptional Items includes:			(Rs. in Lakhs)		
	Particulars	Quarter Ended			Half Year Ended	
		30.09.2016 Unaudited	30.06.2016 Unaudited	30.09.2015 Unaudited	30.09.2016 Unaudited	31.03.2016 Audited
	Work in progress written off (Based on valuation report)	-	-	-	-	64,174.54
	Differential charged off on reconciliation of secured loans	-	-	-	-	29,170.46
	Interest and Foreign Exchange Variation on invoked bank guarantee	-	-	-	-	73,435.09
	Ship Building subsidy receivable written off	-	-	-	-	22,554.66
	Impairment of Capital Work in Progress	-	-	-	-	6,397.39
	Bad Debts	-	-	-	-	5,930.66
	Provision for diminution in value of investments and loans and advances	-	-	-	-	10,482.94
	Interest on bank guarantee invoked	1,280.85	-	-	1,280.85	-
		1,280.85	-	-	1,280.85	2,12,145.75
17	During the quarter ended 30th June, 2016, the Company had derecognised deferred tax asset of Rs.1,01,135.65 Lakhs recognised till 31st March, 2016 on carried forward accumulated losses (including unabsorbed depreciation), unpaid interest (including Funded Interest Term Loans), disallowances of expenses and employee benefits, as in the opinion of directors, there would not be sufficient future taxable profits against which such deferred tax assets can be realised. The deferred tax asset derecognised was disclosed under the head "Tax Expenses" in unaudited financial result for the quarter ended 30th June, 2016 and half year ended 30th September, 2016.					
18	The company had allotted 26,47,313 Convertible Warrant by way of a preferential allotment to the Edelweiss Finance & Investments Ltd (EFIL), carrying the right to subscribe to one Equity shares of Rs. 10/- each at a price of Rs. 22/- including premium of Rs. 12/- Per equity shares in terms of board resolution dated 7th January, 2016, in-principle approvals from Bombay Stock Exchange Ltd (BSE) and National Stock Exchange Ltd (NSE) on 21st December, 2015 and 24th December, 2015 respectively and receipt of the requisite share warrant application money amounting to Rs 145.60 Lakhs on 4th January 2016. EFIL is having an option to exercise the right for conversion of these warrants not later than 18 months from the date of allotment.					
19	The Company is contesting 15 winding up petitions under section 433 and 434 of the Companies Act 1956 before the Honourable High Court of Mumbai and this includes petition filed by LIC of India, one of the secured creditors. All above winding up petitions are pending for disposal as on date.					



For BHARATI DEFENCE AND INFRASTRUCTURE LTD.

P. C. Kapoor

Managing Director Managing Director

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED (FORMERLY BHARATI SHIPYARD LIMITED)

NOTES ON UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2016

- 20 During the quarter, SBI Cap Trustee Co. Ltd(SBI Cap), in terms of Master Restructuring Agreement dated 09.01.2013, has invoked security in the form of 1,25,25,692 equity shares of the company, out of 3,29,37,973 equity shares of the company pledged with SBI Cap and said shares have been transferred to their demat account.
- 21 Current Assets and Loans and Advances have the value at which they are stated in the books of accounts as on 30th September 2016, 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.
- 22 The company is operating in single segment of activity namely Manufacturing of Ships, Non Propelled Vessels, Cranes, Rigs, off shore structures, ship repairing and related activities and hence there is no separate reportable segment within the criteria defined under Accounting Standard 17 - Segment Reporting.
- 23 The Statutory Auditors have carried out a "Limited Review" of the financial results for the quarter and half year ended 30th September 2016.
- 24 The comparatives figures have been regrouped and reclassified where ever considered necessary to meet the current quarters classification.

For Bharati Defence And Infrastructure Limited
(Formerly Bharati Shipyards Limited)

P. C. Kapoor
P. C. Kapoor
Managing Director

Place: Mumbai

Date: 14th November, 2016



INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT

To,
The Board of Directors
BHARATI DEFENCE AND INFRASTRUCTURE LIMITED
(FORMERLY BHARATI SHIPYARD LIMITED)
Mumbai, India.

We have reviewed the accompanying Statement of unaudited financial results of **BHARATI DEFENCE AND INFRASTRUCTURE LIMITED** ("the Company") for the quarter and half year ended 30th September, 2016 ("the Statement"), being submitted by the company pursuant to the requirement of the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

1. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatements. A review is limited primarily to inquiries of company personal and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
2. Based on our review conducted as above and subject to:
 - a) The Company had recognised for subsidy under Ship Building Subsidy Scheme in earlier years, out of which subsidy of Rs. 42,238.11 Lakhs is still receivable as on 30th September, 2016 (after write off of Rs 22,554.66 Lakhs during the quarter ended 31st March, 2016 due to revision in Government Policy). The receipt of aforesaid Subsidy is dependent upon completion of vessels and compliance with other terms and conditions of the Shipbuilding Subsidy Scheme of the Government of India. In our opinion, the recognition of above claim, being contingent asset in nature, is not in conformity with AS-29, Provisions, Contingent liabilities and Contingent assets. In view of the uncertainty involved with respect to generation of future cash flow as required for completion of vessels, we are unable to comment on the recoverability or otherwise of the aforementioned subsidy receivable amounting to Rs. 42,238.11 Lakhs. Therefore, the possible impact of the same on the statement cannot be ascertained.
 - b) We draw attention to Note no. 4 forming part of the Statement, which indicates that the Company has continuously been incurring substantial losses since past few years and Company has also incurred net loss of Rs. 8,887.74 Lakhs and Rs. 1,17,871.41 Lakhs for the quarter and half year ended 30th September, 2016 respectively. As of reporting date, the Company's total liabilities exceed its total assets by Rs. 4,14,548.76 Lakhs and its net worth has been fully eroded. However the financial results of the company have been prepared on a going concern basis for the reasons stated in Note no. 4 forming part of the Statement.

The appropriateness of the going concern basis is interalia dependent upon company's successful financial restructuring including raising requisite finance for its revival and consequent generation of future cash flow to meets its obligations. In our opinion, these conditions along with other matters indicate the existence of material uncertainty that may cast doubt about the Company's ability to continue as going concern.

- c) The Company had given loans and advances of Rs. 91,048.18 Lakhs to its subsidiaries, for investment in GOL Offshore Ltd (GOL). Further an amount of Rs. 3,279.95 Lakhs is due from GOL on account of trade and other receivables. GOL has been incurring losses and its cash flows are under stress and there are continuing defaults in repayment of loans including invocation of some of the corporate guarantees and in some cases recovery / winding up proceedings have been initiated. The proposal to invoke Strategic Debt Restructuring (SDR) initiated by lenders of GOL through Joint Lenders Forum (JLF) have been accepted by majority of the lenders of GOL and have been given effect on 23rd August, 2016. No provision for non- recoverability of loans and advances given to its subsidiaries and trade and other receivables due from GOL is made by the company as explained in note no. 5 (a) forming part of the statement. We are unable to comment on the same and ascertain its possible impact, if any, on the statement in respect of above matters.
- d) The Company had given loans and advances of Rs. 8,497.86 Lakhs to its subsidiary for investment in Tebma Shipyard Limited (TSL). Further an amount of Rs. 92.89 Lakhs was due from TSL on account of trade and other receivables. TSL has been incurring cash losses, its net worth is fully eroded, its cash flows are under stress and being referred to CDR. During the quarter ended 31st March, 2016, the Company had made provision of Rs. 3,498.23 Lakhs in respect of loans and advances receivable from its subsidiary and trade and other receivable from TSL of Rs. 86.22 Lakhs on the basis of business valuation of TSL by an Independent valuer. No further provision for non- recoverability of loans and advances given to its subsidiaries and trade and other receivables due from GOL is made by the company as explained in note no. 5 (b) forming part of the statement. We are unable to comment on the same and ascertain its possible impact, if any, on the statement in respect of above matters.
- e) Company has not provided for interest on secured loans and other debt facility if any (funded as well as non- funded) assigned to Edelweiss Asset Reconstruction Company Limited (EARC) by lenders over a period of time. In absence of terms of assignment and other relevant details and information with respect to terms of repayment, rate of interest and other relevant terms for computation of un-provided interest liability, we are unable to quantify its possible impact on the statement in respect of above matters.
- f) Company has not provided for interest and other dues on NPA accounts including bank guarantee and other debt facility if any (funded as well as non funded) for which,
- (a) It has not received any statement from lenders or in respect of which interest has not been charged in the statement provided by the lenders:
- (b) It has received any recall notice, in respect of which interest has not been charged in the statement provided by the lenders.
- In absence of relevant details and information with respect to computation of un-provided interest liability and other dues, we are unable to quantify its possible effect, if any, on the statement in respect of above matters.
- g) Confirmation / bank statements of secured loans outstanding with ICICI Bank as on 30th September, 2016 were not made available for verification. Due to pending confirmation and consequent reconciliation with the books of accounts, we are unable to comment on the same and ascertain its impact, if any, on the statement.
- h) Confirmation / bank statements of Bank of India and Punjab National Bank as on 30th September, 2016 were not made available for verification. Due to pending confirmation and consequent reconciliation of the current account balance of the above banks, we are unable to comment on the same and ascertain its impact, if any, on the statement.



- i) Margin money of Rs. 4,472.25 Lakhs with State Bank of Travancore, Rs. 1.38 Lakhs with Axis Bank and Rs. 209.39 Lakhs with Bank of India, is subject to confirmation and reconciliation. Due to pending confirmation and consequent reconciliation with the books of accounts, we are unable to comment on the same and ascertain its impact, if any, on the statement.
- j) We refer to note no. 7 forming part of the statement on Company's policies, procedures and lack of overall controls in order to provide proper evidences regarding recoverability of receivables, valuation of work in progress and accounting for direct and indirect taxes including other statutory compliances and timely and proper recording of the revenue and expenses transaction. We are unable to ascertain its impact, if any, on the statement in respect of above matters.
- k) Pending reconciliation and confirmation of Trade Receivables, Loan and Advances, Trade Payables and Other Liabilities and non provision in respect of overdue Trade Receivables and Loan and Advances, we are unable to ascertain its impact, if any, on the statement in respect of above matters.
- l) The Company is in the process of obtaining legal opinion with respect to allotment (pending approval from NSE and BSE) of 26,05,325 equity shares at issue price of Rs. 79.12 per equity share against unappropriated amount lying in share application money post expiry of last appointed date for exercise of option for conversion of share warrants and upon revocation of CDR scheme and disclosure and accounting treatment of balance unappropriated share warrant application money amounting to Rs. 2,132.98 Lakhs, as explained in note no. 9 forming part of the statement. Pending legal opinion, we are unable to ascertain its impact, if any, on the statement in respect of above matters.
- m) The Company is in process of technical evaluation of componentisation of fixed assets and useful life thereof and identifying significant part of assets qualifying for component accounting as required by para 4(a), Part C, schedule II of the Companies Act, 2013 amended by MCA notification dated 29th August, 2015. Pending technical evaluation of componentisation of fixed assets and useful life thereof, we are unable to ascertain its impact, if any, on the statement in respect of above matters.
- n) The Company has not provided for impairment loss, if any, as required by accounting standard 28 "Impairment of Assets" as explained in note no. 11 forming part of the statement. We have not been able to validate this assertion in the absence of valuation report of an independent agency and the uncertainty of resumption of future operation / results of operations thereafter.
- o) We refer to note no. 12 forming part of the statement on physical verification process of inventory of raw materials and components carried out by the company. In absence of corroborative evidence, relevant details and information indicating reasonable assurance and validating physical inventory of raw materials and components and its reconciliation with book stock, we are unable to comment on the same and ascertain its impact, if any, on the statement.
- p) The company has classified secured loans including bank guarantee & other debt facility if any (funded as well as non funded) assigned to Edelweiss Asset Reconstruction Company Limited (EARC) by lenders over a period of time as Current Liabilities in Statement of Assets and Liabilities. In absence of terms of assignment/ term sheet with respect to secured loans assigned to EARC by lenders, we are unable to comment on the same and ascertain its possible impact, if any, on the statement in respect of above matters.
- q) The Company has not appointed the Internal Auditor as required by Section 138 of the Companies Act 2013.
- r) The Company has not transferred unpaid dividend amount of Rs 5.80 Lakhs for F.Y. 2008 -2009, as required to be transferred by 5th November, 2016, to the Investor Education and Protection Fund.



Except for the possible effects of matters stated in Para 2 above, nothing has come to our attention that causes us to believe that the accompanying statement prepared in accordance with the applicable Accounting Standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Damania & Varaiya.

Firm Registration No. 102079W

Chartered Accountants



CA Bharat Jain

Partner

Membership No. 100583



Place: Mumbai

Date: 14th November, 2016.