

CORPORATE GOVERNANCE REPORT

The Board of Directors of the Company lays great emphasis on the broad principles of Corporate Governance. Given below is the report on Corporate Governance.

1. Company's philosophy on code of Governance

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED believes that good Corporate Governance is essential to achieve long term corporate goals and to enhance stakeholders' value. In this pursuit, your Company is committed to maximize the value of its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of laws and in particular those stipulated in the SEBI (LODR) Regulations 2015 with the Stock Exchanges. Its objective and that of its management and employees is to operate in a way so as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy in general. It encourages wide participation from all stakeholders.

2. Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 2013 and Regulation 27, SEBI (LODR) Regulations 2015. The strength of the Board as on 31st March, 2016 is 5 Directors comprising of 2 Promoter Directors, and 3 Independent Non Executive Directors, which includes a Woman Director.

a) Board Procedure:

During the year under report the Board met 8 times on the following dates:

9th April 2015, 27th May 2015, 30th May 2015, 31st July 2015, 14th August 2015, 9th November 2015, 7th January 2016 and 12th February 2016. The members of the Board have been provided with the requisite information mentioned SEBI (LODR) Regulations 2015 well before the Board meetings and the same were dealt with appropriately.

All the Directors who are on various committees are within the permissible limits of SEBI (LODR) Regulations 2015. The Directors have intimated from time to time about their membership in the various committees in other Companies. The composition of Board of Directors, number of Board Meetings held and attended by the Directors, number of chairmanship / membership in other Board Committees are given in following table:

None of Directors have pecuniary or business relationship with the Company except to the extent as disclosed in Notes to accounts. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

Name of Director	Category	No. of Board Meeting Attended	Attendance of last AGM	No. of Directorship in other Companies*	No. of Chairmanship/ Membership in other Board Committee	
					Chairman	Member
Mr. P. C. Kapoor DIN: 00786682	Executive- Managing Director	8	Yes	14	-	-
Mr. Vijay Kumar DIN :00726561	Executive- Managing Director	6	Yes	15	-	1
A. R. Muralidharan DIN :00337753	Independent Non Executive Director	8	Yes	1	-	-
Ms. Shakti Sharma DIN :06561116	Additional Non- Executive Director	5	Yes	1	-	-

Mr. S. Balasubramanian DIN :03114430	Independent Non Executive Director	2	Yes	1	-	-
Mr. V. Chandrasekaran DIN: 01262266 (Resigned as on 04 th August 2015)	Independent Non Executive Director	3	No	1	-	-
Mr. R. Jayaseelan DIN: 06780185 (Resigned as on 30 th September 2015)	Non-Executive Director	3	Yes	1	-	-
Excludes Directorships in private companies, Associations, Section 25 Companies, Foreign Companies and Alternate directorships but including Additional directorships. # In accordance with SEBI (LODR) Regulations 2015 with the Stock Exchanges, membership/ chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.						

b) Directors seeking Appointment at the Forthcoming Annual General Meeting

(The Company is in the process of appointing 2 persons as Additional Director which will be duly incorporated at the time of printing)

c) Code of conduct for Directors and Senior Management:

The Code of conduct as applicable to the Directors and the members of the senior management had been approved by the Board and it is being duly abided by all of them. The Annual Report of the Company contains declaration to this effect from the Managing Directors.

3. Committees of the Board:

a) Audit Committee

The Company has an Audit Committee at the Board level with powers and role that are in accordance with SEBI (LODR) Regulations 2015. The Committee acts as a link between the management, the statutory Auditor and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 1 Managing Director and 2 Non Executive Independent Directors. The members of the Committee are well versed in finance matters, accounts, Company law and general business practices.

The functions of the Audit Committee are as per Companies Act and SEBI (LODR) Regulations 2015 with the Stock Exchanges. These include the review of accounting and financial policies and procedures, review of financial reporting system, internal control system and procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before recommending the same to the Board for its approval.

The Committee met 4 times during the year under report on 30th May 2015, 14th August 2015, 9th November 2015 and 12th February 2016.

Composition of Audit Committee and details of the meeting attended:

Sr. No.	Name of the Audit Committee Member	Category	Designation of the Committee	No. of Meetings Held	No. of Meeting attended
1.	Mr. P C Kapoor	Executive-Non-Independent	Member	4	4
2.	Mr. A R Muralidharan	Non Executive-Independent	Chairman	4	4
3.	Mr. S. Balasubramanian	Non Executive-Independent	Member	4	1
4.	Ms. Shakti Sharma	Non Executive-Independent	Member	4	3
5.	Mr. V. Chandrasekaran (resigned as on 04 th August 2015)	Non Executive-Independent	Member	4	1

The terms of reference of the Audit Committee include:

- To review financial statements and pre-publication announcements before submission to the Board.
- To discuss and review report of the external auditors and ensure the compliance of the internal control system.
- To apprise the Board on the impact of accounting policies, accounting standards and applicable laws and regulations.
- To hold discussions with statutory auditors on the scope and content of the audit.
- To review related party transactions:
- Appointment of statutory auditor and fixing their remuneration.

b) Nomination and Remuneration and Stake Holders Committee:

The powers of Remuneration Committee are exercised by the Board. The remuneration of the Executive Directors is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and/or commission (variable component) to its Executive Directors.

The remuneration by way of commission and sitting fees to the Non-Executive Directors is also decided by the Board of Directors. The Non-Executive Directors are paid sitting fees for attending meetings of the Board or its Committees. The Company also reimburses travelling and accommodation expenses to out-station Directors for attending Board / Committee meetings.

Details of remuneration, sitting fees, etc. paid to Directors are given in following table

Name of Director	Status Independent / Non Independent	Remuneration Paid to Directors				
		Salary (Rs)	Commission (Rs)	Contribution to PF (Rs)	Total (Rs)	Sitting Fees (Rs)
Mr. P. C. Kapoor	Executive – Managing Director	-	-	-	-	-
Mr. Vijay Kumar	Executive – Managing Director	-	-	-	-	-
Mr. A R Muralidharan	Non Executive-Independent	-	-	-	-	2,40,000
Mr. R Jayaseelan (resigned as on 30 th September 2015)	Non Executive-Independent	3,00,000	-	-	3,00,000	-
Mr. S. Balasubramanian	Non Executive-Independent	-	-	-	-	60,000
Mr. V. Chandrasekaran (resigned as on 04 th August 2015)	Non Executive-Independent	-	-	-	-	80,000
Ms. Shakti Sharma	Non Executive-Independent	-	-	-	-	1,60,000

c) Investors' / Shareholders Grievance Committee:

- i. As stated herein above the powers to approve share transfers have been exercised by the Managing Directors. The Managing Directors and Compliance Officer in co-ordination with the Registrars are attending to all the grievances of investors.
- ii. During the year under review the complaints were received from the shareholders were replied / resolved to the satisfaction of the shareholders. There are no complaints / queries pending for reply as on March 31, 2016.

4. General Body Meetings:

The details of the Annual General Meeting held during the last 3 years are as under:

Financial Year	Date of AGM	Time	Venue	Special Resolution(s)
2014-2015 (38 th AGM)	30.09.2015	09.30 am	Mackinnon Mackenzie Building, 3 rd Floor,4,Shoorji Vallabhdas Marg, Ballard Estate,Mumbai- 400001	Special Resolution was passed for issue of Warrants to edelweiss Finance and Investments Limited.
2013-2014 (37 th AGM)	30.09.2014	11:30 a.m.	M C Ghia Hall, K. Dubash Marg, Mumbai-400 001	No Special Resolution passed.
2012-2013 (36 th AGM)	24.09.2013	11:30 a.m.	Rangaswar Hall", Y. B. Chavan Pratishthan, Gen J. Bhosle Marg, Nariman Point, Mumbai-400 021	Special Resolution passed for reappointment of Mr P C Kapoor and Mr Vijay Kumar as Managing Directors, u/s 198,269,309,310 of Companies Act, 1956, with other terms and conditions of reappointment.

Resolution passed through postal ballot

Resolution through Postal Ballot was passed for alteration in the Articles of Association and Memorandum of Association and Name Change during the year.

Disclosures:

a) Disclosure regarding materially significant related party transactions during the year :

There were no other related party transactions of material nature with the Promoters, Directors, the management or their subsidiaries or relatives during the year that may have potential conflict with the interest of the Company at large.

b) Disclosure of non-compliance by the Company:

There were no instances of Non-compliance during the year.

c) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has a Whistle Blower Mechanism in place. The Company has granted access to any personnel to approach the Audit Committee on any issues.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements SEBI (LODR) Regulations 2015:

The Company has complied with the mandatory requirements of Regulation 27 of SEBI (LODR) Regulations.

The Board affirms that no person has been denied access to the Management during the year. The Company has complied with mandatory provisions of corporate governance and is in the process of adopting the non-mandatory provisions of corporate governance.

5. Means of Communication:

- a) Half-yearly report sent to each Household of shareholders: **No.**
- b) Quarterly Results: **These are published in one English daily newspaper Free Press Journal circulating in the country & one Marathi newspaper Navshakti published from Mumbai.**
- c) Any Web site, where displayed: **www.bharatishipyard.com.**
- d) Whether it also displays official news releases and presentations made to Institutional Investors/Analysts: **No.**
- e) Whether Management Discussion and Analysis is a part of annual report: **Yes.**

6. General Shareholder Information:

a) Annual General Meeting:

Day, Date and Time	: Friday, 30 th September, 2016 at 2.00 PM
Venue	: Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001

b) Financial Calendar for 2016- 17 (Tentative)

Financial Year	: April 1, 2016 to March 31, 2017
Results for the quarter ending June 30, 2016	: Before 15th of August-2016
Results for quarter ending September 30, 2016	: Before 15th of November-2016
Results for quarter ending December 31, 2016	: Before 15th of February -2017
Results for year ending March 31, 2017	: Before 30th of May-2017
Annual General Meeting	: Before 30 th of September, 2017

c) Date of Book Closure:

Dividend Payment date: Not applicable

d) Details of Stock Exchange :

Listing on Stock Exchanges	:	1. The Bombay Stock Exchange Ltd. (BSE) , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai -400 001. 2. National Stock Exchange of India Ltd. (NSE) , Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051.
ISIN No.	:	INE 673G01013
Stock Code / Symbol		BSE : 532609 NSE : BHARTIDIL

e) Market Price Data :

The monthly high and low quotations and volume of shares traded at the NSE /BSE during the financial year, 2015-2016 are given below:

Month & Year	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-15	23.1	19	71936	19.25	19.25	200

May-15	18.85	15.9	62306	16.4	16.25	170
Jun-15	15.5	13.1	83945	15.35	14.9	13480
Jul-15	18.2	14.4	83936	18.35	18.35	3850
Aug-15	22.65	18.2	198494	20	20	2700
Sep-15	21.65	18.7	69777	18.65	18.45	2450
Oct-15*	-	-	-	-	-	-
Nov-15*	-	-	-	-	-	-
Dec-15	31.6	18.5	239204	29.3	28	14902
Jan-16	37	22.7	234089	25.95	25.8	8057
Feb-16	27.9	18.6	126295	19.95	18.3	4357
Mar-16	21.05	18	203206	20.05	18.2	3261

*As shares were suspended from trading in both BSE and NSE

f) Registrar and Transfer Agents:

Link Intime India Private Ltd

Address:

C-13, Pannalal Silk Mills Compound,

L.B.S. Marg, Bhandup (W),

Mumbai-400 078

Telephone no: 022-25963838/5946970

Fax: 022-25946969 Email : mumbai@linkintime.co.in

g) Share Transfer System:

Applications for transfer of shares held in physical form are received at the office of the Registrars and Share Transfer Agents of the Company. All valid transfers are processed and affected within 10 days from the date of receipt. Shares under objection are returned to sender in two weeks.

In case of shares held in the dematerialized form are electronically traded by Depository Participants and the Registrars and Share Transfer Agents of the Company periodically receive from the Depository Participants the beneficiary holdings so as to enable them to update their records and to send all corporate communications, dividend warrants etc.

Physical shares received for transfer are required to be dematerialised first before their transfer.

h) Distribution of Shareholding

Share Holding Pattern as on 31st March, 2016 is given below:

Category		No. of Shares Held	Percentage of Shareholding
1	Promoters		
	Indian Promoters	3,29,37,973	65.48
	Foreign Promoters	-	-
2	Persons acting in Concert	-	-
	Sub-Total - (i)	3,29,37,973	65.48
B	Non-Promoters Holding		
3	Institutional Investors		
	a Mutual Funds and UTI	-	-
	b Banks, Financial Institutions, Insurance Companies (Central / State Gov. Institutions / Non-government Institutions)	33,24,026	6.60
	c Foreign Institutional Investors	8,185	0.02
	Sub-Total - (ii)	33,32,211	6.62
4	Others (1) Trusts (2) Qualified Foreign Investors	9,113	0.02
	a Private Corporate Bodies	18,87,006	3.75

	b Indian Public	1,12,78,050	22.42
	c NRIs / OCBs	6,99,310	1.33
	d Any other (Clearing Members, Trusts)	1,55,279	0.31
	Sub-Total - (iii)	1,73,60,969	34.51
	Grand Total (i + ii + iii)	5,02,98,942	100

i) Dematerialization of Equity Shares :

As on 31st March 2016, 5,02,98,190, equity shares representing 99.99% shares are held in dematerialized form and the balance 752 equity shares representing 0.01% shares are in physical form.

j) Outstanding GDRs/ADRs/Warrants or any other Convertible instruments:

Convertible Warrants issued to Edelweiss Finance and Investments Limited as outstanding as on 31.03.2016.

k) Plants Location (Manufacturing Units) :

- Bhoir Sand Compound, Ghodbunder, Dist: Thane.
- Mirya Bunder, Dist: Ratnagiri.
- Usgaon (Dabhol), Dist: Ratnagiri.
- Zorinto Sancoale, Goa.
- Kudroli Bengare, Tal: Mangalore Dist: Dakshina Kannada.
- Timberpond, Howrah, Kolkatta.

l) Address for Correspondence by Shareholders / Investors:

Company's Registered Office

Bharati Defence and Infrastructure Limited,
302, Wakefield House, Sprott Road,
Ballard Estate, Mumbai - 400 001

Registrar & Share Transfer Agent

Link Intime India Private Ltd.,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai - 400 078.

7. Compliance:

A certificate has been obtained from the practicing Company Secretary regarding compliance of corporate governance and attached to this report.

For and on behalf of the Board

P..C.Kapoor
Managing Director
Place: Mumbai

Vijay Kumar
Managing Director
Date: 30th May,2016