

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

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

1 Corporate Information:

Bharati Shipyard Limited is a listed public company incorporated on 22nd June, 1976. The company is primarily engaged in manufacturing of Ships, Non Propelled Vessels, Cranes, Rigs, off shore structures, ship repairing and related activities.

2 Significant Accounting Policies

a. Basis of Preparation of financial statements:

The financial statements are prepared under the historical cost convention, except for certain Fixed Assets which are carried at revalued amounts, on accrual basis of accounting, in accordance with the generally accepted accounting principles in India (Indian GAAP), on a going concern basis and in line with Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013.

The financial statements are presented in Indian rupees rounded off to the nearest rupees in Lakhs.

b Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amount of income and expenses during the year. The management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Further, the results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known or materialised. Any changes in such estimates are recognized prospectively.

c. Fixed Assets

i. Tangible Assets:

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any and includes amounts added on revaluation if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the tangible assets to its present location and condition.

ii. Intangible Assets:

Intangible Assets are stated at cost less accumulated amortisation and impairment losses, if any. The cost includes its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), borrowing costs and any directly attributable expenses, incurred to bring the intangible asset to its working condition for the intended use.

d. Capital Work-in-progress:

Capital work-in-progress includes the cost of tangible assets that are not yet ready for their intended use at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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e. Depreciation and Amortisation:

- i. Depreciation on Tangible Assets has been provided on Straight – Line Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- ii. Depreciation on additions /deletions is calculated on pro-rata basis from /to the date of such additions / deletions.
- iii Leasehold land – Cost of leasehold land is amortised over lease period

f. Impairment of Assets:

The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

g. Investments:

Long Term Investments are valued at cost of acquisition. Provision for diminution in value of Long Term Investments is made only if such a decline is other than temporary in the opinion of the Management.

Current investments are stated at the lower of cost and fair value, determined by category of Investments.

h. Inventories:

- i. Raw Material and Other Components and Stores and Spares have been valued at lower of cost determined on FIFO basis or net realisable value. Cost of Inventories comprise of all costs of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition.
- ii. Work in progress is valued at amount of work done as percentage of contract value duly certified by Chartered Engineer.

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i Employee Benefits

i. Short term benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, performance incentives, compensated absences etc. and the expected cost of ex-gratia are recognised in the period in which the employee renders the related service.

ii. Post employment benefits

Defined contribution plans:

The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

In addition, employees of the company are also covered under Employees' State Insurance Scheme Act, 1948. The Company's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

The company has no further obligation under these plans beyond its monthly contributions.

Defined benefit plans:

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets deducted.

The present value of any obligation under such defined benefit plan is determined based on actuarial valuation using the Project Unit Completion 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 is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market rates. When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised in the Statement of Profit and Loss as and when determined.

iii. Compensated Absences:

The company has a scheme for compensated absences for employees, the liability for which is determined on the basis of an independent actuarial valuation, carried out at the balance sheet date.

The Company's contribution paid/ payable under the schemes is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

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j Revenue Recognition:

- i. Revenue is recognised in accordance with 'AS-7 Accounting for Construction Contracts' specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014 and relevant provisions of the Companies Act, 2013 on percentage completion basis by applying percentage of work completed to the total contract value duly certified.
- ii. Revenue from ship repair activity is recognised on the basis of job completion.
- iii. Dividend income on investment is accounted for in the year in which the right to receive the payment is established.
- iv. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

k Government Subsidy:

Government Subsidy is recognised in the Statement of Profit and Loss in accordance with the related scheme and in the period in which it is accrued. The scheme drawn up in this regard by the Ministry of Shipping, Government of India specifies that the subsidy due on vessels constructed by Private Shipyards such as the Company itself would be payable only upon completion and delivery of eligible vessels as defined by the scheme. However, since the Company follows accrual concept of accounting, the subsidy recognised in Statement of Profit and Loss also comprises of vessels under construction.

l. Borrowing Costs:

Borrowing Costs attributable to the acquisition and construction of the Qualifying Assets, which takes substantial period of time to get ready for its intended use, are capitalised as part of the cost of respective assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss.

m. Provision for Taxation

- i. Tax expense comprises of current tax and deferred tax.

ii. Current Tax:

Provision for current income-tax is made on the basis of estimated taxable income for the year, using the applicable tax rates and where the income is assessed by the tax authorities on the basis of such assessed income.

iii. Deferred Tax:

Deferred Tax on timing differences is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets are recognised only to the extent that there is virtual certainty with convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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- iv. Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

n. Foreign Currency transactions:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction. Gains or Losses upon settlement of transaction during the year is recognized in the statement of profit and loss.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. Gains or losses arising as a result of the above are recognized in the statement of profit and loss.

o. Provisions, Contingent Liabilities and Contingent Assets:

- i. The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- ii. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.
- iii. Where there is a possible or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.
- iv. Contingent assets are neither recognised nor disclosed in the financial statements.

p. Operating Leases:

Lease of assets under which all the risk and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as expenses on accrual basis in the Statement of Profit and Loss in accordance with respective lease agreements.

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q. Earnings Per Share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) attributable to the shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

r. Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been allocated to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on cost.

Segment revenue, Segment expenses, Segment assets and Segment liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities."

s. Cash Flow statement:

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash comprises cash on hand and demand deposits with banks. Cash Equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in values.

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3 Share Capital

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
Authorised Capital: 9,90,00,000 (31 March 2015 : 9,90,00,000) Equity Shares of Rs. 10/- each	9,900.00	9,900.00
Issued, Subscribed and Paid up Capital: 5,02,98,942 (31 March 2015 : 5,02,98,942) equity shares of Rs.10/- each fully paid up	5,029.89	5,029.89
Total	5,029.89	5,029.89

3.1 Additional Information

a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March,2016		As at 31 March,2015	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
Shares outstanding at the beginning of the year	50,298,942	5,029.89	50,298,942	5,029.89
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,298,942	5,029.89	50,298,942	5,029.89

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

b) Shareholders holding more than 5% shares in the Company (Equity Shares of Rs. 10 each)

Name of Shareholder	As at 31 March,2016		As at 31 March,2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Mr. Vijay Kumar	5,724,556	11.38%	5,724,556	11.38%
Mr. P. C. Kapoor	5,723,508	11.38%	5,723,508	11.38%
Bharati Infratech Projects Private Limited	16,097,360	32.00%	16,097,360	32.00%
Bharati Shipping and Dredging Company Pvt Ltd	2,878,731	5.72%	2,878,731	5.72%
Life Insurance Corporation of India	2,633,216	5.24%	2,633,216	5.24%

c) Shares reserved for issue under option and contracts /Commitments

Share Warrants :

The company has allotted 26,47,313 Convertible Warrant on 4th January, 2016 by way of a preferential allotment to the Edelweiss Finance & Investments Ltd 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. Edelweiss Finance & Investments Ltd is having the option to exercise the right for conversion of these warrants not later than 18 months from the date of allotment.

d) During the period of five years immediately preceding the date as at the balance sheet date, there are no shares issued without payment being received in cash, issued as bonus shares and shares bought back by the Company.

4 RESERVE AND SURPLUS

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
a. Securities Premium As per Last Balance Sheet	47,597.84	47,597.84
b. Debenture Redemption Reserve As per Last Balance Sheet	1,250.00	1,250.00
c. Revaluation Reserve As per Last Balance Sheet	204.63	204.63
d. General Reserve As per Last Balance Sheet	7,010.53	7,010.53
e. Surplus As per Last Balance Sheet	(167,971.23)	(81,312.11)
Add : Profit / (Loss) for the year	(189,799.01)	(86,458.23)
Less : Adjustment to carrying value of assets as per Schedule II	-	200.89
Closing Balance	(357,770.24)	(167,971.23)
Total	(301,707.24)	(111,908.23)

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5 LONG-TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Non-Current	Current	Non-Current	Current
Secured				
a) Debentures (Refer Note - 5.1)	-	9,000.00	-	9,000.00
b) Term Loan				
i. From Banks (Refer Note - 5.2 and 5.5)	-	91,368.51	-	213,685.19
ii. From Others (Refer Note - 5.3) #	-	595,596.35	-	275,210.81
Unsecured				
Loans and advances from related parties (Refer Note 5.4)	216.98	-	345.30	-
Total	216.98	695,964.87	345.30	497,896.00

Term loan from others represent Bank loans which have been takeover by Edelweiss Asset Reconstruction Cell (EARC) and loan from Sicom Limited.

Security and other terms relating to repayments and maturity:

Particulars	Rate of Interest	Security	Terms of Repayment
5.1 Debentures			
Secured, Redeemable, Non-Convertible Debentures:			
a. Life Insurance Corporation of India (700 (P.Y. 700) Debentures of Rs. 10,00,000/- each)	12.45%	Secured by first pari passu charge on fixed assets movable and immovable assets including Land and Buildings both present and future.	Repayable in 2 years in 8 equal quarterly instalments commencing from June 2013 to June 2015, as per the CDR Scheme.
b. General Insurance Corporation of India (200 (P.Y. 200) Debentures of Rs. 10,00,000/- each)	11.00%	Secured by first pari passu charge on certain fixed assets of the company.	Repayable in 5 structured yearly instalments commencing from June 2013 till June 2018, as per the CDR Scheme.

5.2 Term Loan from Bank (Other than DBS term Loan) and Term Loan taken over by EARC ;

The Company has taken loans from the Consortium Banks with State Bank of India (SBI) as lead bankers. These loans were restructured under the Corporate Debt Restructuring Scheme (CDR Scheme) approved on 25th June 2012. As part of CDR Scheme, the Company had allotted 26,926,175 Compulsory Convertible Debentures (CCD) carrying coupon rate of 1% p.a to the 18 secured lenders. The company, during the tenure of CDR scheme has not adhered to the repayment and other terms of CDR scheme and accordingly the CDR scheme was revoked by the Lenders as on 21st August, 2014. The company is in continuous default in repayment of its Banks loans, CCD, debentures, interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date.

Upon revocation of CDR Scheme, out of 23 bank Lenders, 18 bank Lenders have assigned their outstanding loans including interest and other dues along with respective rights and securities to Edelweiss Assets Reconstruction Company Limited (EARC). Further 2 lenders have sent recall notice for recovery of outstanding dues from the Company and balance 3 lenders have classified the said outstanding loans including interest and other dues as Non Performing Assets (NPA). Considering the continuing default in repayment of these loans and revocation of CDR Scheme by the Lenders, all the outstanding loans have become payable on demand and accordingly have been classified as "Current Maturities of long term loan" under the head "Current Liabilities".

Upon referral to CDR Scheme, the Company has executed the Indenture of Mortgage deed dated 28th June, 2013 for mortgage of securities in favour of "SBICAP Trustee Company Limited" in its capacity as "Security Trustee" for the benefit of all secured parties of the Scheme. Details of securities offered to security trustee for outstanding loan, CCD including interest and other dues are as follows:

1. All Movable and Immovable assets of all the locations of the Company ;

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2. Residential flats of Managing Directors ;
3. All the Shares of the Company held by the Promoters of the Company ;
4. 24% of unencumbered shares of GOL Offshore Limited held by the promoter / Group Company ;
5. Shares and Corporate Guarantees of Subsidiary Companies : Dhanashree Properties Pvt Ltd, Natural Power Ventures Pvt Ltd and Nirupam Energy Projects Pvt Ltd ;
6. Shares of Bharati Infratech Pvt Ltd, Bharati Maritime Services Pvt Ltd and Harsha Infrastructure Pvt Ltd held in Bharati Shipyards Ltd ;
7. Personal Guarantees of the Promoters and ;
8. Corporate Guarantees of Pinky Shipyards Pvt Ltd, Bharati Infratech Pvt Ltd, Bharati Maritime Services Pvt Ltd, Harsha Infrastructure Pvt Ltd and Bharati Shipping & Dredging Co. Pvt Ltd.

5.3

(a) Term Loan from DBS Bank Limited :

Particulars	Rate of Interest	Security	Terms of Repayment
DBS Bank	LIBOR plus 200 basis points	Pari Passu charge on fixed assets at the Dabhol yard.	Repayment in 4 equal half yearly instalments each commencing from quarter ending March 2013.

(b) SICOM Limited :

Particulars	Rate of Interest	Security	Terms of Repayment
SICOM Limited	11.75%	Secured by Subservient charge on all the movable and current assets, both present and future, of the company in a form and manner acceptable to SICOM. Irrevocable Personal Guarantee of Promoter Directors.	Repayable in single instalment at the end of 3 years from the date of disbursement.

5.4 Unsecured Loan and advances from Related Parties are repayable over the period of 2 to 3 years.

5.5 Disclosure of default in repayment of Bank Loans, Financial Institution, Debentures , interest and other dues:

- (a) The company is in continuous default in repayment of its Bank loans, CCD , interest and other dues thereon from date of revocation of CDR scheme till the balance sheet date. Upon revocation of CDR scheme, in absence of requisite information from EARC and other banks covered under CDR scheme with respect to terms of repayment, the specific information in respect of period of delays of default in repayment of Loan and interest cannot be ascertained and hence said information is not given.

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(b) Details of default in repayment of Loans including interest and other dues, other than above are as follows:

Particulars	As at 31st March 2016		As at 31st March 2015	
	Amount	Period in Months	Amount	
<u>DBS Bank Loan</u>				
Principal	12,627.03	24-36 Months	12,518.16	13-24 Months
Interest	2,187.82	24-36 Months	1,995.19	13-24 Months
<u>SICOM Limited</u>				
Principal	4,417.32	24- 36 Months	4,417.32	12- 24 Months
Interest	2,060.49	24- 36 Months	999.90	12-24 Months
<u>LIC OF India</u>				
Principal	7,000.00	18-30 Months	5,250.00	3-18 Months
Interest	3,742.66	27-39 Months	2,868.77	15-27 Months
<u>GIC OF India</u>				
Principal	800.00	9 - 21 Months	400.00	9 Months
Interest	1,427.29	21 -33 Months	1,153.42	9 -21 Months

6 OTHER LONG TERM LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
Trade Payables		
(i) Total outstanding dues to Micro and Small Enterprises (Refer note 9.1)	-	-
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	15.00	244.88
Total	15.00	244.88

7 LONG TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
Provision for employee benefits		
(i) Provision for compensated absences (Unfunded)	78.08	94.41
(ii) Provision for gratuity ((Funded) net)	211.50	186.54
Total	289.58	280.95

8 SHORT TERM BORROWINGS

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
<u>Secured</u>		
(a) Loans repayable on demand		
(i) From Banks (Refer Note no 8.1)	8,853.55	47,433.37
(ii) From Others (Refer Note no 8.2)	2,840.00	-
<u>Unsecured</u>		
(i) Others (Refer Note : 8.3)	6,957.31	7,112.54
Total	18,650.86	54,545.90

8.1 Refer note 5.2 and 5.5 for securities and default in repayment of Loans repayable on demand from Banks.

8.2 Loans from Others are secured by first Charge on sale of Vessel V - 399 , Pledge of 25.73% shareholding of Great offshore Limited and Personal Guarantee of the Promoter Directors and its carries the interest rate of 18% compounded quarterly.

8.3 Unsecured Loans from others are repayable in within 12 months.

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9 TRADE PAYABLES

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
(i) Total outstanding dues to Micro and Small Enterprises (Refer note 9.1)	16.96	14.11
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises	14,495.56	14,941.26
Total	14,512.52	14,955.37

9.1 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
(i) The Principal amount and interest due thereon remaining unpaid to any supplier as at the end of the accounting year	16.96	14.11
(ii) The amount of Interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting period; and	11.22	8.06
(v) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	10.90	8.06

Note : Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

10 OTHER CURRENT LIABILITIES

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
(a) Current maturities of long-term debt (Refer Note 5 : Long-Term Borrowings)		
-- From Banks	695,964.87	497,896.00
-- Compulsory Convertible Debentures (Refer Note No 30)	21,302.84	21,302.84
(b) Money received against share warrants (Refer Note No 29)	4,194.31	4,194.31
(c) Interest accrued and due on borrowings	113,260.66	46,427.05
(d) Income received in advance (Unearned Revenue)	79,123.65	180,589.87
(e) Unpaid / Unclaimed dividends *	18.28	19.53
(f) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,775.69	1,308.78
(g) Trade / security deposits received	5.56	8.35
(h) Others #	10,646.54	5,786.89
Total	926,292.40	757,533.61

* There are no amounts due to be credited to Investor Education and Protection Fund.

Others includes outstanding Salaries and Wages, Demurrage Charges and provision for Expenses.

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11 SHORT-TERM PROVISIONS

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
(a) Provision for employee benefits		
(i) Provision for compensated absences (Unfunded)	54.89	16.59
(ii) Provision for gratuity (Funded) (net)	285.47	127.40
(b) Provision - Others		
(i) Provision for tax (net of Taxes Paid)	1,912.37	2,081.59
(ii) Provision for other contingencies	136.03	155.93
Total	2,388.76	2,381.51

13 NON-CURRENT INVESTMENTS

(Rs. In Lakhs)

Particulars	As at 31 March,2016	As at 31 March,2015
Long Term Investment - At Cost		
Trade Investment - Unquoted		
- Investment in Equity instruments	152.16	174.66
Non-trade Investment - Unquoted		
- Investments in Government or Trust securities	0.10	0.10
Total	152.26	174.76

13.1 Details of Long Term Investments :

Particulars	(Rs. in Lakhs)	
	As at 31 March,2016	As at 31 March,2015
(1) Investment in Equity Instrument (Unquoted; fully		
(a) Investment in Equity Instruments of Subsidiaries		
(i) Advitya Urja Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(ii) Dhanshree Properties Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(iii) Natural Power Ventures Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(iv) Nirupam Energy Projects Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(v) Nishita Mercantile Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(vi) Pinky Shipyards Private Limited 1,53,000 (31.03.2015 : 1,53,000) Shares of Rs. 10 each fully paid up	145.16	145.16
(vii) Premila Mercantile Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(viii) Vishudh Urja Private Limited 10,000 (31.03.2015 : 10,000) Shares of Rs. 10 each fully paid up	1.00	1.00
(b) Investment in Equity Instruments of Joint		
Bengal Shipyards Limited 2,25,048 (31.03.2015 : 2,25,048) Shares of Rs. 10 each fully paid up	22.50	22.50
	174.66	174.66
Less : Provision for Diminution in value of Investment	22.50	-
Total	152.16	174.66
(2) Investments in Government or Trust securities		
(i) National Saving Certificate	0.10	0.10
Total	152.26	174.76

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(Rs in Lakhs)

Description	Gross Block				Depreciation				Net Block		
	Balance as at 1st April 2015	Additions	Adjustments / Disposals	Balance as at 31st March, 2016	Balance as at 1st April 2015	Depreciation charge for the period	Excess of Carrying amount over Residual Value	Adjustments / Disposals	Balance as at 31st March, 2016	Balance as at 31st March, 2015	Balance as at 31st March, 2016
A. Tangible Assets (Own Assets)											
Land	14,894.55	-	-	14,894.55	-	-	-	-	-	14,894.55	14,894.55
Buildings	7,839.84	0.27	-	7,840.11	1,060.12	212.70	-	-	1,272.82	6,779.72	6,567.28
Plant and Equipment	79,066.33	0.70	-	79,067.03	18,996.17	5,235.16	-	-	24,231.33	60,070.16	54,835.70
Dredger	184.13	-	-	184.13	127.58	7.91	-	-	135.49	56.55	48.64
Two Line Handling Boat	1,294.91	-	-	1,294.91	364.91	86.76	-	-	451.67	929.99	843.23
Furniture and Fixtures	2,832.32	-	-	2,832.32	1,215.82	355.40	-	-	1,571.22	1,616.50	1,261.09
Vehicles	1,305.53	-	-	1,305.53	973.45	159.10	-	-	1,132.55	332.08	172.98
Office equipment	504.46	0.43	-	504.90	338.19	28.11	-	-	366.30	166.27	138.60
Computers	480.09	0.76	-	480.85	398.01	0.93	-	-	398.94	82.08	81.90
Total (A)	108,402.16	2.16	-	108,404.32	23,474.25	6,086.09	-	-	29,560.34	84,927.91	78,843.97
B. Tangible Assets (Lease Assets)											
Land (Lease Hold)	125.46	-	-	125.46	125.46	-	-	-	125.46	-	-
Total (B)	125.46	-	-	125.46	125.46	-	-	-	125.46	-	-
Total of Tangible Assets (A+B)	108,527.63	2.16	-	108,529.78	23,599.71	6,086.09	-	-	29,685.80	84,927.91	78,843.97
Previous Year	108,161.50	411.22	45.11	108,527.61	17,201.93	6,217.61	200.89	20.72	23,599.71	90,959.57	84,927.90
C. Intangible Assets											
Computer software	97.28	0.69	-	97.97	84.39	7.91	-	-	92.30	12.89	5.67
Total (C)	97.28	0.69	-	97.97	84.39	7.91	-	-	92.30	12.89	5.67
Previous Year	97.23	0.05	-	97.28	74.98	9.41	-	-	84.39	22.25	12.89
Total (A+B+C)	108,624.90	2.85	-	108,627.76	23,684.11	6,094.00	-	-	29,778.10	84,940.78	78,849.64
Previous Year	108,258.73	411.27	45.11	108,624.90	17,276.91	6,227.02	200.89	20.72	23,684.11	90,981.82	84,940.78
Capital work-in-progress											16,982.49
Previous Year											23,456.17

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14 DEFERRED TAX ASSETS (NET)		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
Deferred Tax Assets :	123,187.59	59,283.92	
Brought forward business losses and unabsorbed depreciation	82,641.11	33,277.31	
Disallowances of expenses	2,192.79	1,539.59	
Disallowances u/s 43B of the I T Act, 1961	38,353.69	24,467.02	
Deferred Tax Liability :	(22,051.96)	(29,285.78)	
Depreciation on fixed assets	9,000.38	9,264.95	
Others - Subsidy Receivable	13,051.58	20,020.83	
Total	101,135.63	29,998.14	

15 LONG TERM LOANS AND ADVANCES		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
Unsecured and considered good			
(a) Capital Advances	10.92	10.92	
(b) Security Deposits	474.16	717.99	
(c) Loans and advances to related parties (Refer Note No 34 (b) and (c))	102,989.17	103,117.49	
Less : Provision for Doubtful Advances	6,660.58	-	
Loan and Advances to related parties (Net)	96,328.58	103,117.49	
Total	96,813.66	103,846.39	

16 OTHER NON-CURRENT ASSETS		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
Long-term trade receivables (Unseured)			
- Considered good	48,840.01	71,696.22	
- Considered doubtful	22,872.74	-	
Less: Provision for Doubtful debts	22,872.74	-	
Long- term trade receivables (Net)	48,840.01	71,696.22	
Total	48,840.01	71,696.22	

17 CURRENT INVESTMENTS		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
a. Other Current Investments			
(Carried at lower of cost and quoted / fair value)			
(i) Investment in Equity instruments (Refer Note : 17.1)	0.12	0.12	
Total	0.12	0.12	

17.1 *Details of Current Investments		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2016	
(a) Investment in Equity instruments (Non trade and Quoted)- At cost			
(i) ICICI Bank Limited	0.12	0.12	
750 (31.03.2015 : 750) Shares of Rs. 2 (P.Y. Rs 2/-) each fully paid			

		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2016	
Aggregate amount of quoted investments	0.12	0.12	
Market Value of quoted investments	1.77	2.37	

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18 INVENTORIES		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
(a) Raw materials and Components	48,518.75	53,883.79	
(b) Raw materials and Components (Goods-in-Transit)	4,363.02	4,363.02	
(c) Work-in-progress	246,097.80	308,914.78	
Total	298,979.57	367,161.58	

19 TRADE RECEIVABLE		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
Unsecured, considered good			
Outstanding for a period exceeding six months	407.32	6,471.75	
Others Receivables	1,859.69	356.02	
Total	2,267.01	6,827.77	

20 CASH AND BANK BALANCES		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
(a) Cash and Cash Equivalents			
(i) Cash on hand	2.75	1.53	
(ii) In current accounts	5,467.70	5,899.19	
(b) Other Bank Balance			
(i) In deposit accounts	0.84	0.77	
(ii) Security against borrowings	8,000.91	16,829.16	
(iii) Unpaid dividend accounts	18.27	19.56	
Total	13,490.46	22,750.20	

21 SHORT TERM LOANS AND ADVANCES		(Rs. In Lakhs)	
Particulars	As at 31 March,2016	As at 31 March,2015	
(Unsecured and considered good)			
(a) Security deposits	776.21	979.26	
(b) Loans and advances to employees	194.19	151.27	
(c) Prepaid expenses	80.77	201.16	
(d) Balances with government authorities	1,495.55	1,491.83	
(e) Advances to Suppliers	5,776.79	9,733.66	
Total	8,323.51	12,557.18	

22 REVENUE FROM OPERATIONS		(Rs. In Lakhs)	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Sale of products			
(i) Manufacturing of Ships	4,705.17	2,497.98	
(ii) Windmill Income	-	414.31	
(b) Other Operating Revenue			
(i) Sale of scrap	78.66	335.07	
(ii) Hire charges	-	1.30	
(iii) Repair works	1,019.93	623.47	
Total	5,803.76	3,872.13	

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23 OTHER INCOMES		(Rs. In Lakhs)	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest Income comprises:			
(i) Interest from banks on :			
Deposits	879.17	434.21	
(ii) Other interest	1.12	0.96	
(b) Dividend Income :			
(i) From Current Investments	0.04	0.04	
(c) Other non-operating income comprises:			
(i) Rental income from Equipment Hiring Charges	108.50	-	
(ii) Profit on sale of fixed assets	-	17.52	
(iii) Liabilities / provisions written back	-	5.51	
(iv) Miscellaneous income	4.99	42.41	
Total	993.83	500.65	

24 COST OF MATERIALS CONSUMED		(Rs. In Lakhs)	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
Opening stock	58,246.81	61,137.97	
Add: Purchases	1,502.42	1,345.84	
	59,749.22	62,483.81	
Less: Closing stock	52,881.77	58,246.81	
Total	6,867.46	4,237.00	

25 EMPLOYEE BENEFIT EXPENSE		(Rs. In Lakhs)	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Salaries and wages	3,955.79	4,044.16	
(b) Contributions to provident and other funds	141.34	149.18	
(c) Gratuity Expenses	200.41	68.99	
(d) Staff welfare expenses	40.40	60.78	
Total	4,337.93	4,323.11	

26 FINANCE COSTS		(Rs. In Lakhs)	
Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015	
(a) Interest expense :			
(i) Borrowings	31,193.67	28,639.95	
(ii) Others			
-Delayed / deferred payment of income tax	4.07	-	
(iii) Others	454.74	181.78	
(b) Other borrowing costs			
(i) Bank Guarantee Commission	195.10	768.91	
(ii) Others	6.66	28.80	
(c) Interest expenses in the nature of exchange rate difference on Foreign Currency Loan	86.76	37.02	
Total	31,941.01	29,656.46	

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27 Other expenses

(Rs. In Lakhs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Payments to Auditors (Refer Note No 27.1)	34.52	16.85
Sundry Balance Written Off	285.81	-
Car Hiring Expenses	29.55	38.73
Clearing and Forwarding Charges	22.48	50.65
Demurrage Charges	2,802.91	2,857.43
Design Consultancy	33.97	16.40
Equipment Hiring Charges	25.55	339.48
Insurance	118.55	120.95
Launching and Delivery Charges	50.56	122.00
Legal and Professional Charges	226.70	408.22
Listing Fee	18.47	79.15
Office Maintenance	41.64	44.70
Power and Fuel	252.23	222.53
Prior Period Expenses (Refer Note No 56)	299.11	143.05
Rates and Taxes	15.99	44.62
Foreign Exchange Loss (Net)	257.81	2.51
Rent	1,221.97	1,293.37
Loss on sale of Assets	-	3.33
Repairs to Buildings	33.12	32.63
Repairs to Machinery	17.98	26.75
Repairs - Others	123.83	520.12
Transportation Charges	24.35	24.22
Travelling Expenses	107.97	85.31
Miscellaneous Expenses	303.03	409.43
Total	6,348.09	6,902.43

27.1 Payments to Auditors comprises :

(Rs. In Lakhs)

Particular	For the year ended 31st March 2016	For the year ended 31st March 2016
Fees as Statutory Auditors	34.52	16.85
Total	34.52	16.85

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28 Contingent liabilities and commitments not provided in respect of:

(Rs. in Lakhs)

Particular	As at 31st March, 2016	As at March 31, 2015
a. Contingent Liabilities:		
i. Tax/Duties that may arise in respect of which appeal is pending :		
Income Tax	0.20	0.20
Service Tax	2,558.04	2,558.04
Custom Duty	5,019.48	5,019.84
Excise	1,354.04	1,354.04
ii. Demurrage Charges	-	2,857.43
iii. Suits filed against the Company	2,580.99	2,580.99
iv. Claims against the Company not acknowledged	7,665.83	6,484.89
v. Bank Guarantees		
-Performance Guarantee	2,835.13	2,835.13
-Advance Guarantee	15,598.27	22,905.52
-Others	639.46	609.63
b. Commitments	-	-
T O T A L	38,251.44	47,205.71

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.

29 Convertible share warrants and debenture:

In pursuance of the CDR Scheme and as per the approval of shareholders by postal ballot vide resolution No 5 dated September 18, 2012, the company has on preferential basis allotted 320,00,000 warrants to Promoter Group, carrying right to subscribe to one equity share of Rs. 10/- each, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the Company, arrived at in accordance with the SEBI Guidelines. The details of proposed allottees are as follows:

Sr.	Name of the proposed allottees	Category of proposed Allottees	Maximum no. of warrants proposed to be issued and allotted
1	Bharati Infratech Projects Private Limited	Promoter Group	22,000,000
2	Bharati Maritime Services Private Limited	Promoter Group	5,500,000
3	Harsha Infrastructure Private Limited	Promoter Group	4,500,000
	T O T A L		32,000,000

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Of the above following are allotted and subscribed and fully paid:

Sr.	Name of the proposed allottees	Category of proposed Allottees	No. of warrants issued and fully paid
1	Bharati Infratech Projects Private Limited	Promoter Group	16,097,360
2	Bharati Maritime Services Private Limited	Promoter Group	2,185,878
3	Harsha Infrastructure Private Limited	Promoter Group	327,940
	T O T A L		18,611,178

Out of the total subscription amount received against allotment of share warrants, 67,64,576 and 1,18,46,602 convertible warrants were converted into equity shares of Rs. 10/- each at a price of Rs. 79.12/- per share including premium of Rs. 69.12/- per share on 31st December, 2012 and 25th September, 2013 respectively and Rs 4,194.31 Lakhs remains unappropriated in Share Application Money pending allotment as on the last appointed date for exercise of the option.

Post expiry of last appointed date for exercise of option and revocation of CDR scheme, the Company is in process of obtaining expert opinion for legal position and accounting treatment in this matter with respect to unappropriated amount lying with the company upon expiry of time limit to exercise option by the promoters. Pending legal opinion, the Company has disclosed the said amount received from the Promoter Companies of Rs 4,194.31 Lakhs (Previous year Rs 4,194.31 Lakhs) under current liabilities in the financial statement under the account head " Money Received against share warrants" for the year ended 31st March 2016. Further to that, the Company is also evaluating option of allotment of shares to Promoter Companies against such unappropriated amount of share warrant application money and is in the process of obtaining requisite permission from appropriate authorities.

- 30** As per the approval of the shareholders by postal ballot vide resolution no 6 dated 18th September, 2012, the Company had allotted on preferential basis 26,926,175 Compulsory Convertible Debentures (CCD) to the signatories of CDR. The above Compulsory convertible debentures are convertible into one equity share of Rs. 10/- each on preferential basis pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of Rs. 79.12/- including premium of Rs. 69.12/- per equity share of the company, the pricing of which is arrived in accordance with the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations.

Post expiry of 18 months from the date of allotment of CCD and revocation of CDR Scheme, the Company has not converted CCD into Equity shares till date. As on the Balance Sheet date, the Company has disclosed CCD of Rs 21,302.84 Lakhs (Previous year Rs 21,302.84 Lakhs) under current liabilities in the financial statement under the account head " Current Maturities of Long Term Debts" for the year ended 31st March 2016.

31 Deferred Tax Assets created during current financial year:

The company has recognized deferred tax asset (net) of Rs. 1,01,135.63 Lakhs (P.Y. Rs 29,998.14 Lakhs) on carried forward accumulated losses (including unabsorbed depreciation), interest expenses (including Funded Interest Term Loan (FITL)), Disallowances of Expenses and Retirement Benefits. The Company is confident of financial restructuring and reviving the operations to achieve optimum utilization of its infrastructure. Accordingly, keeping in view the ongoing developments, there would be sufficient future taxable profits against which the accumulated losses would be set off and hence Deferred tax asset (net) has been created by the Company.

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32 Subsidy Receivable from Government of India under Shipbuilding Subsidy scheme:

The Government of India had announced Shipbuilding Subsidy Scheme for private and public shipyards in India in 2002 for all eligible shipbuilding orders entered into between Nov-2002 till Aug-2007. The Subsidy was provided at the rate of 30% of the contract value subject to fulfilment of various conditions. In case of private shipyards, disbursement of the subsidy amount was provided post delivery of the vessel and subject to fulfilment of other conditions of the scheme. According to the subsidy scheme and based on accounting principles, the company has credited subsidy on vessels under construction in respect of which substantial work has been carried out on the vessel. The Company had recognised for subsidy of Rs. 66,059.92 Lakhs under Ship Building Subsidy Scheme in earlier years and has already received Rs. 1,267.15 Lakhs from Government of India upto 1st April 2015 and the balance subsidy receivable from Government of India Rs. 64,792.77 Lakhs as on 1st April 2015. 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. 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. The company is of the opinion that on 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.

Recently Government of India has announced the revised Financial Assistance Policy for Indian Shipbuilders and as per the policy, financial assistance in the form of subsidy is revised to 20% of lower of "Contract Price" or "Fair Price" for each vessel built by the shipyards. Company has recomputed its claim for subsidy receivable based on revised ship building policy for Indian ship builders and has written off subsidy receivable amounting to Rs. 22,554.66 Lakhs. The said write off in subsidy receivable of Rs. 22,554.66 Lakhs is disclosed under the head "Exceptional Item" in financial statements for the year ended 31st March, 2016 and balance outstanding subsidy receivable from Government of India amounting to Rs. 42,238.11 Lakhs is disclosed under Trade receivable in financial Statement as at 31st March, 2016.

Further, as detailed in note no. 33 of the statement, 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 and according to the management is of the opinion that Subsidy amount is fully recoverable.

33 Explanatory note on Financial Restructuring:

The Company has incurred Net Loss of Rs. 1,89,799.01 Lakhs after considering exceptional items of Rs. 2,12,145.75 Lakhs during the year ended 31st March, 2016. As of this date, the Company's total liabilities exceed its total assets by Rs. 2,96,677.35 Lakhs and its net-worth has been fully eroded. As on 31st March, 2016, 22 winding up petitions are filed by various creditors against the Company including LIC of India, one of the secured creditors out of which settlements terms are signed by the Company for 7 creditors. Further the Company has made reference to BIFR for restructuring of the Company and the same has been registered with BIFR. The reference registered with BIFR was last heard on 6th May, 2016.

The Company is also implementing various long-term measures to improve its cash flow and revival of the operations and simultaneously exploring multiple options for funding of its partly completed projects. During the year, ECL finance Limited has released financial assistance to the Company to complete its one of the nearing completion project as well as for other operational need. Company with the help of Lead lender EARC is in process of drafting long term restructuring package to be submitted with BIFR to revive the business, keeping interest of all stakeholders of the Company and viability of the project. This restructuring package 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 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.

Further, during the year, the Government of India has also announced various measures to promote ship building in India including Financial Assistance for next 10 years, 100% FDI in Shipbuilding, infrastructure Status, etc. and also 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 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 requirement. With these measures, the shipbuilding 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.

34 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. 3,523.41 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 proceedings have been initiated. 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 next couple of years. Being investment in GOL is strategic and long term in nature and 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 Shipyard Limited(TSL). The net receivable from TSL on account trade and other receivables is Rs. 86.22 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. Knowing the above scenario and based on the valuation report of TSL by Independent Valuer with respect to its Business Valuation. Company has made provision for non recoverability of loans and advances from

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its subsidiary and non recoverability of trade and other receivables from TSL of Rs. 3,498.23 Lakhs and Rs. 86.22 Lakhs respectively and the same is disclosed under the head "Exceptional Item" in financial statements for the year ended 31st March, 2016.

c) The Company had made investments of Rs. 22.50 Lakhs and given loans and advances aggregating to Rs. 3,162.36 Lakhs in/to Bengal Shipyard Limited (Bengal). Bengal is yet to start its business operations and is in process of acquisition of lands and construction of assets. Bengal has been incurring cash losses and its net worth is getting eroded and its cash flows are under stress. Considering the present operational status of Bengal and huge delay, additional cost and uncertainty involved in commencement of business operations, Company neither foresee any benefit accruing nor repayment of advances by Bengal in near future. Accordingly Company has made provision for diminution in value of investment of Rs 22.50 Lakhs and Provision for non recoverability of advances of Rs. 3,162.36 Lakhs from Bengal and the same is disclosed under the head "Exceptional Item" in financial statements for the year ended 31st March, 2016.

35 Non - Availability of balance confirmation from banks and EARC and provision for interest and other dues:

The Company has requested all lenders/banks/ Edelweiss Asset Reconstruction Company (EARC) for the balance confirmations. However, due to non service of interest, instalments and other dues, some of the lenders/banks have not provided balance confirmations as on 31st March, 2016 and the accounts are finalised based on latest available bank/loan statements. 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 information in respect of interest and other charges in assignment agreements of EARC with Banks. 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.

36 Non - Availability of certain Margin Deposit confirmation:

The company is in the co ordination with banks for obtaining confirmation/ account statements as at year end with respect to Margin deposits with banks. However, due to non service of interest and instalment due, some of the banks have not provided balance confirmations as on 31st March 2016. Being, carrying amount of the margin deposit is fully recoverable and the difference, if any, upon reconciliation with bank confirmations would not have any material impact on financial statements. Further, due to unavailability of the confirmations, the Company has accounted for the interest income on the Margin Money Deposits with Banks based on external evidences to the extent available.

37 Internal control System:

The Company is in the process of strengthening its policies, procedure and controls in order to facilitate timely recording of the expenses and provide proper evidences regarding accounting for direct and indirect taxes including other statutory compliances. Delay if any, in accounting for the expenses or other transactions or statutory compliances does not have any material impact on the financial statement for the year ended 31st March, 2016.

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38 Reconciliation of accounts:

Company is in the process of reconciliation of accounts at reasonable intervals and obtaining balance confirmation as at year 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.

39 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.

40 Company has initiated the process of appointment of Internal Auditor as required under provisions of Section 138 of the Companies Act, 2013

41 Bank Guarantee Invocation by Customers on cancellation of vessels contracts:

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. 40,457.62 Lakhs and foreign exchange variation of Rs. 32,977.47 Lakhs upto 31st March, 2016. Based on the prudent accounting norms, during the year ended 31st March, 2016, company had given effect for the above payments made by the Banks to the customers against invoked bank guarantees in books of accounts. Interest cost and exchange variation relating to invoked bank guarantees amounting to Rs. 40,457.62 Lakhs and Rs. 32,977.47 Lakhs respectively has been charged to profit and loss account and disclosed under the head "Exceptional Item" in financial statements for the year ended 31st March, 2016.

However, the Company continues 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.

42 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, 2014. 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.

43 The company has allotted 26,47,313 Convertible Warrant by way of a preferential allotment to the Edelweiss Finance & Investments Ltd 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 received from Bombay Stock Exchange Ltd (BSE) and National Stock Exchange Ltd (NSE) on 21st December, 2015 and 24th December, 2015 respectively and on receipt of the requisite share warrant application money amounting to Rs 145.60 Lakhs on 4th January 2016. Edelweiss Finance & Investments Ltd is having the option to exercise the right for conversion of these warrants not later than 18 months from the date of allotment. The Company has disclosed the said amount of Rs 145.60 Lakhs under Shareholder's Funds in the financial statement under the account head " Money Received against share warrants" for the year ended 31st March 2016. The proceeds from the issues of Share Warrant have been utilised for the general administrative expenses and repayment of past dues.

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44 Exceptional items includes :

(Rs. in Lakhs)

Particulars	Year Ended	
	31.03.2016	31.03.2015
- Profit on Sale of Windmill Operation	-	(481.54)
- Work in progress written off (Based on Valuation Report)	64,174.54	54,177.02
- Differential charged off on reconciliation of secured loans	29,170.46	-
- Interest and Foreign Exchange Variation on Invoked Bank Guarantee (Refer Note No 41)	73,435.09	-
- Ship building subsidy receivable written off (Refer Note No 32)	22,554.66	-
- Impairment of Capital Work in Progress	6,397.39	-
- Bad Debts	5,930.66	-
- Provision for Diminution in value of Investment and Loans and Advances (Refer Note No 34 (b) and (c))	10,482.94	-
Total	212,145.75	53,695.48

(a) Writing off excess value of Work in Progress ("WIP) amounting to Rs 64,174.54 Lakhs (P.Y. Rs 54,177.02 Lakhs), based on the valuation report of an Independent Chartered Engineers. The written off in value of WIP is on account of Price Variation, Provision for Liquidation damages and redoing/replacement cost and other factors.

(b) Sale of Wind Turbines having total Capacity of 5MV (Windmill Business) as a part of restructuring process, resulting in net gain of Rs 481.54 Lakhs in F.Y. 2014-2015.

(c) On reconciliation of balance of secured loans transferred by 18 lenders to Edelweiss Assets Reconstruction Company (EARC) with the balance appearing in books of accounts, the differential interest / other charges amount on such reconciliation is charged as expenses amounting to Rs 29,170.46 Lakhs (P.Y. Rs Nil).

(d) Impairment of Capital work in progress (CWIP) amounting to Rs 6,397.39 Lakhs (P.Y. Rs Nil), based on the valuation report of Independent Chartered Engineers. The Impairment of CWIP is on account of restorative repairs, constraint in use of incomplete structure, replacement/ removal of Steel and other part of structures.

45 Retirement benefits:

The required disclosure under the Revised Accounting Standard 15 is given below:

During the year, Company has recognised the following amounts in the Financial statements :

1) Defined Contribution Plan:

The company has recognised the following amounts as an expense and included under the head "employee benefit expense "

(Rs. in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2016	March 31, 2015
Employer's Contribution to Provident Fund and Employee's State Insurance Corporation	141.34	149.18

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II) Defined Benefit Plans:

i) Gratuity (Funded):

The Employee's Gratuity Fund Scheme managed by SBI Life Insurance is a Defined Benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method.

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at March 31, 2015
a) Changes in present value of Defined Benefit Obligations:		
Present value of obligation as at beginning of the Year	508.13	506.67
Current Service Cost	53.76	58.69
Interest Cost	38.25	37.08
Actuarial (gain)/loss	124.02	(8.17)
Benefits paid	(35.42)	(86.14)
Present Value of Obligation as at end of the Year	688.74	508.13
b) Changes in fair value of Plan Assets:		
Fair value of Plan Assets as at beginning of the Year	194.19	261.70
Expected return on Plan Assets	15.53	20.94
Actuarial gain/(loss)	0.09	(2.31)
Contributions	17.38	-
Benefits paid	(35.42)	(86.14)
Fair value of plan Assets as at end of the Year	191.77	194.19
c) Actual Return on Plan Assets:		
Expected return on Plan Assets	15.53	20.94
Actuarial gain/(loss) on Plan Assets	0.09	(2.31)
Actual return on Plan Assets	15.62	18.63

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ii) Compensated Absences (Non Funded):

The company has recognised liability for compensated absences for employees on the basis of an independent actuarial valuation, carried out at the balance sheet date.

Particulars	(Rs. in Lakhs)	
	As at 31st March, 2016	As at March 31, 2015
d) Changes in present value of Defined Benefit Obligations:		
Present value of obligation as at beginning of the Year	111.00	85.28
Current Service Cost	32.59	34.84
Interest Cost	8.66	6.82
Actuarial (gain)/loss	(19.27)	(15.94)
Benefits paid	-	-
Present Value of Obligation as at end of the Year	132.98	111.00

Particulars	2015-16		2014-15	
	Gratuity (Funded)	Compensated Absences (non Funded):	Gratuity (Funded)	Compensated Absences (non Funded):
e) Amounts recognised in the Balance Sheet in respect of:				
Present Value of Obligation as at end of the Year	688.74	132.98	508.13	111.00
Fair Value of Plan Assets as at end of the Year	191.77	-	194.19	-
Net Liability	496.97	132.98	313.94	111.00
f) Expenses recognised in the Statement of Profit and Loss (under the head "Employee Benefits Expense") Refer Note No. 25				
Current Service Cost	53.76	32.59	58.69	34.84
Interest Cost	38.25	8.66	37.08	6.82
Expected return on Plan Assets	(15.53)	-	(20.94)	-
Actuarial (Gain)/ Loss	123.93	(19.27)	(5.84)	(15.94)
Expense Recognised in the Statement of Profit and Loss	200.41	21.98	68.99	25.71

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Particulars	Gratuity (Funded)	Compensated Absences (non Funded):	Gratuity (Funded)	Compensated Absences (non Funded):
g) Principal Actuarial Assumptions used as at the Balance Sheet date :				
Discount Rate	7.80%	7.80%	8%	8%
Expected Rate of Return on Plan Assets	8%	-	8%	-
Salary Escalation Rate	6%	6%	6%	6%
Mortality	IALM 2006-08 Ultimate		IALM 2006-08 Ultimate	
Attrition rate	2%	2%	2%	2%

46 Disclosure in accordance with 'AS- 7 Accounting for Construction Contracts' :

(Rs. in Lakhs)

Particulars	Current Year	Previous Year
Contract revenue recognized as revenue for the year	4,705.17	2,497.98
Contract Loss recognized as revenue for the year	64,174.54	54,177.02
Advances received from above customers	79,085.76	186,475.26
Gross amount due from customers for contract work	186,691.86	148,075.65
Gross amount due to customers for contract work	23,162.79	25,636.13

The gross amount due from customers reflects the net amount for all contracts in progress for which cost incurred plus recognized profit(Less recognized Losses) exceeds progress billing.

The gross amount due to customers reflects the net amount for all contracts in progress where progress billing exceeds cost incurred plus recognized profit (Less recognized Losses).

47 Segment Reporting

The Company has disclosed business segment as the primary segment. The Company was collectively organised into following business segments namely:

- Ship Manufacturing
- Windmill Operation (upto 31st July, 2014)

Segments have been identified and reported taking into account the nature of the product and services, the organisational structure and internal financial reporting system.

Segment revenue, results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on reasonable basis.

Since the business of Windmill operation is not significant, all asset, liabilities and expenses other than specifically related to Windmill Power, are allocated to Ship Manufacturing Business.

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Primary Segments (Business Segments) (Rs. in Lakhs)

Particulars	As at 31st March, 2016			As at March 31, 2015		
	Ship Manufacture	Windmill Power	Total	Ship Manufacture	Windmill Power	Total
SEGMENT REVENUE						
Net Sales / Operating Income	5,803.76	-	5,803.76	3,457.81	414.31	3,872.12
Total	5,803.76	-	5,803.76	3,457.81	414.31	3,872.12
SEGMENT RESULT						
Profit / (Loss) after depreciation and before finance Cost, Exceptional Item, Unallocable Income and tax expenses	(17,843.71)	-	(17,843.71)	(18,166.21)	348.77	(17,817.44)
Less : Finance Cost	31,941.01	-	31,941.01	29,656.46	-	29,656.46
Less : Exceptional Items	212,145.75	-	212,145.75	54,177.02	(481.54)	53,695.48
Add: Unallocated Income	993.83		993.83	500.65		500.65
Profit / (Loss) before Tax	(260,936.64)	-	(260,936.64)	(101,499.04)	830.31	(100,668.73)
Less : Tax Expenses			(71,137.63)			(14,210.50)
Net Profit / Loss after Tax	(260,936.64)	-	(189,799.01)	(101,499.04)	830.31	(86,458.23)

OTHER INFORMATION

Segment Assets	566,378.93	-	566,378.93	693,236.17	-	693,236.17
Unallocated Segment Assets	-	-	99,455.44	-	-	30,173.02
Total Assets	566,378.93	-	665,834.37	693,236.17	-	723,409.19
Segment Liabilities	939,150.91	-	939,150.91	806,903.10	-	806,903.10
Unallocated Segment Liabilities	-	-	23,360.81	-	-	23,384.43
Total Liabilities	939,150.91	-	962,511.72	806,903.10	-	830,287.53
Net Capital Employed (Total Assets - Total Liabilities)	-	-	(296,677.35)	-	-	(106,878.34)
Capital Expenditure	2.85	-	2.85	392.71	-	392.71
Depreciation	6,094.00	-	6,094.00	6,227.02	-	6,227.02

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48 Related party disclosure

Related Party disclosure as required by Accounting Standard - 18 as notified under section 133 of Companies Act 2013 is as follows:

48.1 List of related parties and relationships, where control exists:

- | | | |
|-----------|--|--|
| a. | <u>Subsidiary Companies</u>
Advitiya Urja Private Limited
Dhanshree Properties Private Limited
Natural Power Venturers Pvt. Ltd
Nirupam Energy Projects Pvt. Ltd.
Nishita Mercantile Pvt. Ltd.
Pinky Shipyards Private Limited
Premila Mercantile Pvt. Ltd.
Vishudh Urja Pvt. Ltd. | |
| b. | <u>Subsidiary of Subsidiary Company</u>
Tebma Shipyards Limited | |
| c. | <u>Joint Venture</u>
Bengal Shipyards Limited | |
| d. | <u>Associated Companies / Concerns</u>
GOL Offshore Limited
GOL Ship Repair Limited (Subsidiary of Associate Company) | |
| e. | <u>Key Management Personnel (KMP)</u>
Mr. P. C. Kapoor Managing Director
Mr. Vijay Kumar Managing Director | |
| f. | <u>Relatives of Key Management Personnel</u>
<u>Relative of Mr. P. C. Kapoor</u>
Mrs. Madhu Kapoor Wife
Mrs. Radhika Mehra Daughter

<u>Relative of Mr. Vijay Kumar</u>
Mrs. Ashraf G. Kumar Wife
Mrs. Sukriti V. Kumar Daughter | |

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g. **Enterprises influenced by Key Management Personnel and their relatives**

Bharati Infratech Projects Pvt. Ltd.
Bharati Marine Construction and Engineering Pvt Ltd
Bharati Maritime Services Pvt.Ltd.
Bharati Shipping and Dredging Co Private Limited
Harsha Infrastructure Pvt Ltd
Portside Shipping Pvt Ltd
Seasplice Shipping Pvt Ltd
Sharven Multitrade P. Ltd.
Shipace Shipping Private Limited
Swati Silk Mills Pvt. Ltd.
Usha Silk Mills Pvt. Ltd.
Vayuraj Energy Projects Pvt. Ltd.
Vayutatva Energy Projects Pvt. Ltd.
Mutual Industries Pvt. Ltd.
Oceanic Shipyards Limited

48.2

Sr.	Particulars	Enterprises where Control Exists			Joint Venture	Key Managerial Personnel	Associates	Total
		Subsidiary Companies	Sub-Subsidiary Company	Enterprises Owned and Controlled by KMP and their Relatives				
A	Transactions during the year							
1	Labour Charges Paid	458.01	-	-	-	-	-	458.01
		143.49	-	-	-	-	-	143.49
2	Sales	-	17.27	-	-	-	-	17.27
		-	3.80	-	-	-	-	3.80
3	Purchases	-	2.68	-	-	-	-	2.68
		-	-	-	-	-	-	-
4	Repairs Works - Income	-	-	-	-	-	-	-
		-	-	-	-	686.52	-	686.52
5	Director's Remuneration	-	-	-	-	-	-	-
		-	-	-	-	48.00	-	48.00
6	Equipment Hire Charges	-	-	-	-	-	-	-
		-	-	-	-	-	18.96	18.96
7	Interest paid on Inter Corporate Deposits accepted	-	-	12.98	-	-	-	12.98
		-	-	16.22	-	-	-	16.22
8	Loans and Advances given	-	-	-	-	-	-	-
		-	-	128.00	-	-	-	128.00
9	Loans and Advances received back	-	-	-	-	-	-	-
		-	-	-	-	19.25	-	19.25
10	Loans/Intercompany Deposit Accepted	-	-	-	-	-	-	-

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		-	-	288.93	-	-	-	288.93
11	Provision of loans and advances	3,498.23	-	-	3,162.35	-	-	6,660.58
		-	-	-	-	-	-	-
12	Provision of doubtful debts	-	86.22	-	-	-	-	86.22
		-	-	-	-	-	-	-
13	Provision for Diminution in value of Investment	-	-	-	22.50	-	-	22.50
		-	-	-	-	-	-	-
II]	Outstanding Balances as on 31st March,							
1	Loans and Advance given *	99,726.62	-	100.19	3,162.35	-	-	102,989.17
		99,726.62	-	228.51	3,162.35	-	-	103,117.48
3	Money received against Share Warrants	-	-	4,194.31	-	-	-	4,194.31
		-	-	4,194.31	-	-	-	4,194.31
4	Loans/Intercorporate Deposit Accepted	-	-	216.98	-	-	-	216.98
		-	-	345.30	-	-	-	345.30
5	Trade Receivables *	-	86.22	-	-	-	3,523.41	3,609.63
		-	120.99	-	-	-	3,523.41	3,644.39
6	Trade Payables	361.45	-	-	-	-	-	361.45
		122.02	-	-	-	-	-	122.02
7	Investments in Subsidiaries/ Joint Ventures	152.16	-	-	22.50	-	-	174.66
		152.16	-	-	22.50	-	-	174.66
9	Directors Remunerations Payable	-	-	-	-	15.81	-	15.81
		-	-	-	-	15.81	-	15.81

Note : Figures in Bold and Italics relates to Previous Year

* Provision for Loans and Advances, Trade Receivables and Diminution in value of Investment is not deducted while presenting the outstanding balance.

48.3 Disclosures of Material Related Party Transactions during the year:

1 Labour Charges Paid (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
Pinky Shipyards Limited	458.01	143.49
Total	458.01	143.49

2 Sales (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
Tebma Shipyards Limited	17.27	3.80
Total	17.27	3.80

3 Purchase (Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
Tebma Shipyards Limited	2.68	-
Total	2.68	-

4 Repairs Works - Income (Rs. in Lakhs)

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Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
GOL Offshore Limited	-	632.31
GOL Ship Repair Limited	-	54.20
Total	-	686.51

5 Director's Remuneration

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
P. C. Kapoor	-	24.00
Vijay Kumar	-	24.00
Total	-	48.00

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6 Equipment Hire Charges (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
GOL Offshore Limited	-	18.96
Total	-	18.96

7 Interest paid on Inter Corporate Deposit Accepted (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended March 31, 2015
Bharati Infratech Projects Private Limited	12.98	16.22
Total	12.98	16.22

8 Loans and Advances given (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Bharati Infratech Projects Private Limited	-	128.00
Total	-	128.00

9 Loan and advances received back (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Mr. Vijay Kumar	-	12.50
Mr. P.C. Kapoor	-	6.75
Total	-	19.25

10 Loans/Intercorporate Deposit Accepted (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Bharati Infratech Projects Private Limited	-	288.93
Total	-	288.93

11 Provision of Loan and Advances (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Nirupam Energy Projects Pvt. Ltd.	3,498.23	-
Bengal Shipyard Limited	3,162.35	-
Total	6,660.58	-

12 Provision for Doubtful Debts (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Tebma Shipyards Limited	86.22	-
Total	86.22	-

13 Provision for diminution in value of investment (Rs. in Lakhs)		
Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Bengal Shipyard Limited	22.50	-
Total	22.50	-

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48.4 Disclosure required by Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and Section 186 (4) of the Companies Act, 2013:

(a) Loans and Advances in the nature of loans to subsidiaries:

(Rs. in Lakhs)

Name of Subsidiary Company	As at 31st March, 2016	Maximum Outstanding During the Year	As at March 31, 2015	Maximum Outstanding During the Year	Nature of Transaction and Material Terms	Purpose for which loan / guarantee proposed to be utilized by the recipient
Advitiya Urja Private Limited	170.60	170.60	170.60	170.60	Loans and advances	For working capital requirement
Dhanshree Properties Private Limited	20,676.78	20,676.78	20,676.78	20,676.78	Loans and advances	Investment in Gol Offshore Ltd and
Natural Power Ventures Private Limited	70,371.40	70,371.40	70,371.40	70,371.40	Loans and advances	Working Capital requirement
Nirupam Energy Projects Private Limited *	8,497.85	8,497.85	8,497.85	8,497.85	Loans and advances	Investment in Tebma Shipyard Ltd and
Nishita Mercantile Private Limited	5.35	5.35	5.35	5.35	Loans and advances	For working capital requirement
Premila Mercantile Private Limited	0.07	0.07	0.07	0.07	Loans and advances	For working capital requirement
Vishudh Urja Private Limited	4.57	4.57	4.57	4.57	Loans and advances	For working capital requirement
TOTAL	99,726.62		99,726.62			

* Provision for Loan and advances have not been netted off from the balance outstanding

(b) Loans and Advances in the nature of loans to firms/companies in which directors are interested:

(Rs. in Lakhs)

Name of Enterprises in which directors are interested	As at 31st March, 2016	Maximum Outstanding During the Year	As at March 31, 2015	Maximum Outstanding During the Year	Nature of Transaction and Material Terms	Purpose for which loan / guarantee proposed to be utilized by the recipient
Bengal Shipyards Limited *	3,162.35	3,162.35	3,162.35	3,456.64	Loans and advances	For purchase of Land and Working Capital Requirement
Bharati Infratech Projects Private Limited	-	-	128.32	128.32		
Sharven Multitrade Private Limited	19.53	19.53	19.53	19.53		
Swati Silk Mills Private Limited	34.70	34.70	34.70	34.70		
Usha Silk Mills Private Limited	6.61	6.61	6.61	6.61		
Vayuraj Energy Projects Private Limited	16.58	16.58	16.58	16.58		
Vayutatva Energy Projects Private Limited	22.77	22.77	22.77	22.77		
TOTAL	3,262.54		3,390.86			

* Provision for Loan and advances have not been netted off from the balance outstanding

Above Loans and Advances are interest free and there is no stipulation as to repayment.

(c) Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan:

Investing Company	No. of Shares in Parent Company	% Holding in Parent Company
Bharati Infratech Projects Private Limited	16,097,360	32.00%

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

49 Earnings per share

Basic Earnings per share are calculated by dividing the Net Profit for the year attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings per share, the weighted average numbers of shares outstanding are adjusted for the effects of all dilutive potential equity shares from the exercise of options on un-issued share capital.

Particular		As at	As at
		31st March,2016	March 31, 2015
Net Profit after tax	Rs. In Lakhs	(189,799.01)	(86,458.24)
Weighted Average No. of Ordinary Shares for Basic EPS	Nos.	50,298,942	50,298,942
The Face Value per Ordinary Share	Rs.	10.00	10.00
EPS (Basic)	Rs.	(377.34)	(171.89)
Weighted Average No. of Ordinary Shares for Diluted EPS (same as Basic EPS as there are no dilutive potential Equity Shares)	Nos.	50,298,942	50,298,942
EPS (Diluted)	Rs.	(377.34)	(171.89)

50 CIF value of imports

(Rs. in Lakhs)

Particular	As at	As at
	31st March,2016	March 31, 2015
Raw Materials (including Components and Spare parts)	429.58	447.08
TOTAL	429.58	447.08

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

51 Details of Cost of Material Consumed

(Rs. in Lakhs)

As at 31st March, 2016

Particulars	Opening Stock	Purchase	Consumption	Closing
Steel	12,204.85	-	3,194.09	9,010.76
Others	46,041.96	1,502.42	3,673.37	43,871.01
Total	58,246.81	1,502.42	6,867.46	52,881.77

As at 31st March, 2015

Particulars	Opening Stock	Purchase	Consumption	Closing
Steel	12,535.22	-	330.37	12,204.85
Others	48,602.76	1,345.84	3,906.64	46,041.96
Total	61,137.97	1,345.84	4,237.01	58,246.81

52 Ratio and value of indigenous and imported raw material steel and components and spare parts consumed

Particulars	As at 31st March, 2016		As at March 31, 2015	
	(Rs. in Lakhs)	%	(Rs. in Lakhs)	%
Raw Materials (Steel)				
i. Imported	-	0.00%	198.22	60.00%
ii. Indigenous	3,194.09	100.00%	132.15	40.00%
Total (A)	3,194.09	100.00%	330.37	100.00%
Components and Spare Parts				
i. Imported	1,714.53	46.67%	344.99	8.83%
ii. Indigenous	1,958.84	53.33%	3,561.65	91.17%
Total (B)	3,673.37	100.00%	3,906.64	100.00%
TOTAL (A+B)	6,867.46		4,237.01	

53 Expenditure in foreign currency

(Rs. in Lakhs)

Particulars	As at 31st March, 2016	As at March 31, 2015
Interest	40,466.16	1,112.61
Design and Consultancy	-	1.15
Others	8.79	0.79
TOTAL	40,474.95	1,114.55

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

54 Disclosure as required by AS 27 " Financial Reporting of Interests in Joint Ventures"

The Company is holding 45.01% shareholding in Bengal Shipyards Limited (Bengal) as Joint Venture (JV) partner. The Company had also given loans and advances aggregating to Rs. 3,162.35 lakhs as on 31st March, 2016. Bengal is yet to start its business operations and is in process of acquisition of land and construction of assets. Till 31st March 2015 Bengal has already spent Rs. 5,785/- lakh as pre-operative expenditure. To continue with this JV project, the Company is required to invest additional funds on continuous basis till the time project gets completed and start commercial activity. However, considering the progress of this JV project and the Company's current financial position, the Company cannot put additional funds in this project, which is not going to provide returns, in near future.

Considering the above referred matter and operational issues between JV partners, Financial Statements as on 31st March 2016 of Bengal are made not available to the Company and hence, the company is unable to provide the required disclosure as prescribed under AS 27 " Financial Reporting of Interest in Joint Venture" for the year ended 31st March, 2016.

The Company's interest in this Joint Venture is reported as Long Term Investment and stated at cost. The Company's share of each Asset, Liability, Income and Expenses, etc. related to its interest in this Joint Venture are based on unaudited standalone financial statement duly certified by management as of 31st March 2015 is as follows:

(Rs. in Lakhs)	
Particulars	As at March 31, 2015
EQUITY AND LIABILITIES	
1) Shareholders' Funds	
(a) Reserves And Surplus	(6.60)
2) Non-Current Liabilities	
(a) Other long-term liabilities	2,529.23
(b) Long-term provisions	0.04
3) Current Liabilities	
(a) Other current liabilities	53.67
(b) Short-term provisions	5.00
ASSETS	
1) Non-current assets	
(a) Fixed assets	
(i) Tangible assets	156.79
(ii) Intangible assets	0.19
(iii) Capital work-in-progress	2,221.68
(b) Non-current investments	4.05
(c) Long-term loans and advances	217.17
(d) Other non-current assets	1.58

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

2) Current assets	
(a) Cash and bank balances	0.77
(b) Short-term loans and advances	1.62
INCOME:	
Other income	0.13
EXPENSES:	
Other expenses	8.59
Profit / (Loss) Before Tax	(8.45)
Less: Tax expense	-
Profit / (Loss) After Tax	(8.45)
Contingent Liabilities	NIL

55 Details on derivative instruments and unhedged foreign currency exposures:

Foreign currency exposure at the year end not hedged by derivative instruments are given as under ;

Particulars	Currency	As at 31st March, 2016		As at 31st March, 2015	
		Amount	(Rs. in Lakhs)	USD	(Rs. in Lakhs)
Term Loan - Bank	USD	20,000,000	12,627.03	20,000,000	12,518.16
Interest on term Loan Bank	USD	3,498,634	2,187.82	4,803,025	3,108
Trade Payable and other liabilities					
	USD	88,866	58.95	351,343	219.91
	SGD	2,152,851	1,058.01	2,078,785	944.60
	EURO	-	-	393,883	263.53
	GBP	61,040	58.04	61,040	56.43
* Advance received from customers	USD	107,690,000	40,043.77	107,690,000	40,043.77

BHARATI DEFENCE AND INFRASTRUCTURE LIMITED
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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

56 Prior Period Expenses / (Income) (Net) consist of :

(Rs. in Lakhs)

Nature of Expenses	#REF!	As at
		March 31, 2015
Car Hiring Expenses	8.01	1.56
Design Consultancy	56.54	0.82
Power and Fuel	3.12	22.30
Equipment Hiring Charges	20.74	29.48
Interest On Statutory Dues	-	1.10
Legal and Professional Charges	81.24	40.02
Miscellaneous Expenses	99.93	4.26
Office Maintenance	-	1.65
Rates and Taxes	-	5.03
Rent	29.14	33.68
Repair and Maintenance	0.39	-
Transportation Charges	-	3.15
	299.11	143.05

57 Disclosure for Operating Leases under Accounting Standard 19 - "Leases":

The Company had entered into agreements for taking on lease various vessels and office premises under operating lease arrangements. The leases are non-cancellable and are ranging for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement between the parties. The lease agreements provided for an increase in the lease payments by 0 to 2 % every year. During the year, lease agreements with respect to various vessels have been terminated by the Company and accordingly the information is disclosed to the extent applicable:

(Rs. in Lakhs)

Particulars	For the year ended	For the year ended
	31st March, 2016	31st March, 2015
Future minimum lease payments		
not later than one year	0.00	28.00
later than one year and not later than five years	-	-
TOTAL	-	28.00

- Lease payments recognised in the Statement of Profit and Loss

1,314.02

1,389.87

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NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

58 The figures for the previous year have been arranged/rearranged/regrouped wherever considered necessary, to conform to this year's classification.

As per our report of even date attached hereto

For Damania & Varaiya
Firm Reg. No. 102079W
Chartered Accountants

Bharat Jain
Partner
Membership No. 100583

Place: Mumbai
Date : 30th May, 2016.

For and on Behalf of the Board

P. C. Kapoor
[Managing Director]

Vijay Kumar
[Managing Director]

V.Gopalakrishnan
President Finance and Company Secretary

Place: Mumbai
Date : 30th May, 2016.