

REPORT ON CORPORATE GOVERNANCE

(as required under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd.)

The Company has put best efforts to adhere with the Corporate Governance requirements as required by Clause 49 of Listing Agreement even prior to the listing of its shares on the Stock Exchanges.

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law, transparency and adherence to ethical standards to achieve the Company's objective of enhancing shareholders' wealth and discharge of social responsibility. The Board, with the help of its committees, lays down the strategic systems, processes and reviews the mechanisms to enable the Company to achieve its corporate and social goals. Transparency, fairness, disclosure, integrity and accountability have been the core principles of governance in the Company, which are vital for the long and sustained growth of the Company.

2. BOARD OF DIRECTORS

(i) Size and Composition of the Board

The Board of Directors of your Company represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2008, the total strength of the Board of Directors of the Company is eight Directors. The Board of Directors supervise the overall management of the Company. Shri. Kamlesh Kumar Agarwal is the non-executive Chairman. The day-to-day affairs of the Company are managed by Shri. Rishi Agarwal, Managing Director, assisted by Shri. R. S. Nakra, Executive Director (Technical), subject to the superintendence and control by the Board. Board comprises of 4 independent directors including Shri. Ashok R. Chitnis, Shri. Ajay Saraf (nominated by ICICI Bank Ltd.), Shri. Nainesh Jaisingh (nominated by Standard Chartered Private Equity Advisory (India) Private Limited) and Shri. Shahzaad Dalal (nominated by IL & FS Investment Managers Limited).

The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other Public Companies as at 31st March, 2008.

The names and categories of the Directors on the Board, their attendance at Board Meeting during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below. Other Directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanships / Membership of Board Committees include only Audit Committee and Shareholders / Investors Grievance Committee.

Name	Category	Attendance		Number of other Directorship and Committee membership / Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Kamlesh Kumar Agarwal - Chairman (Upto 10 th June 2008)	NI – NE	1	No	6	1	-
Rishi Agarwal – Managing Director	NI – E	8	Yes	7	1	-
Saket Agarwal	NI – NE	0	No	6	1	-
Ram Swaroop Nakra - Executive Director- Technical	NI – E	7	No	1	1	-
Ashok R. Chitnis	I – NE	8	No	-	1	-
Ajay Saraf	I – NE	8	Yes	3	4	1
Nainesh Jaisingh	I – NE	7	No	2	1	-
Shahzaad Dalal	I – NE	6	No	11	9	3

(NI – Non-Independent, I – Independent, NE- Non-Executive, E – Executive)

(ii) The Board Meetings

Eight Board Meetings were held during the last financial year on April 28, 2007, June 18, 2007, July 25, 2007, September, 12, 2007, October 29, 2007, November 28, 2007, January 7, 2008 and on January 15 2008. The gap between any two successive meetings did not exceed four months.

The Agenda for the Board Meeting and its Committee Meetings is drafted by the Managing Director and the Company Secretary in consultation with the Chairman of the Board or the Committee as the case may be. Agenda along with all information, including statutory information, relevant to the matters to be discussed is always sent, well in advance, to the Directors. The Members of the Board can also suggest any Agenda item to the Chairman, which is taken as any other item after the circulated items. Detailed presentations are made at the Board Meetings by the Managing Director and Chief Financial Officer on various strategic and operational issues.

Necessary information as mentioned in Annexure 1A to clause 49 of the Listing Agreements has been placed before the Board for their consideration.

None of the Non-executive Directors have any material pecuniary relationship or transactions with the Company.

(iii) Profile of Directors seeking appointment / re-appointment in the 23rd Annual General Meeting:

Name of Director	Shri. R. S. Nakra	Shri. Nainesh Jaisingh	Major Arun Phatak
Date of Birth	07.06.1938	24.04.1967	31.10.1939
Date of Appointment/ Re-appointment as Director	07.07.2005	07.07.2005	10.06.2008
Qualification	B. Tech (Hons.) from IIT Kharagpur and Naval Architect	Bachelor's degree in engineering from IT-BHU and a MBA from the IIM, Bangalore	B. Sc., MBA
Experience and Expertise in Specific functional area	He has over 45 years of experience in design and construction of ships and other floating crafts and has also been a consultant on assignment for Asian Development Bank.	He has over 16 years of experience in the financial services sector. He has worked with Standard Chartered Private Equity, the global equity investment arm of Standard Chartered from 2000. He has managed investments in sectors such as technology, pharmaceutical, business process outsourcing and engineering. Prior to this, he has worked for more than 9 years in ANZ Investment Bank and ANZ Grindlays, in investment banking and commercial banking roles.	He has rich and wide experience over 35 years in Corporate Sector.

The Board has constituted committees of Directors to take informed decisions in the best interest of the Company.

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the Provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Audit Committee comprises of three Independent Directors viz. Shri. Ajay Saraf – Chairman, Shri. Nainesh Jaisingh – Member and Shri. Ashok Chitnis – Member. Shri. Ajay Saraf, Chairman of the committee is a qualified Chartered Accountant and Cost & Works Accountant. He has a wide range of experience in Corporate Banking, Investment Banking and Treasury.

(i) Terms of reference

The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- Recommending the appointment of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Ø any changes in accounting policies and practices;
 - Ø major accounting entries based on exercise of judgment by management;
 - Ø qualifications in draft audit report;
 - Ø significant adjustments arising out of audit;
 - Ø the going concern assumption;
 - Ø compliance with accounting standards;
 - Ø compliance with stock exchanges and legal requirement concerning financial statements;
 - Ø any related party transactions;
 - Ø matters required to be included in Directors' Responsibility Statement in terms of Section 217(2AA) of the Companies Act, 1956.
- Reviewing the company's financial and risk management policies.
- Disclosure of contingent liabilities
- Reviewing with the management, external and internal auditors and adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow-up-thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Looking into the reasons for substantial defaults, if any, in payments to the depositors, debenture holders, shareholders, (in case of non-payment of declared dividends) and creditors.
- Reviewing compliances as regards the Company's Whistle Blower Policy.

(ii) Composition, name of members, meetings and attendance

In its meetings, the Audit Committee considered audit reports covering operational, financial (including the quarterly results) and other business areas of the Company. The Audit Committee meetings are usually held at the Corporate Office of the Company and are usually attended by the Managing Director and representatives of the Auditors. The Operations Heads are invited to the meetings, as required. The Company Secretary acts as Secretary of the Audit Committee.

5 Audit Committee Meetings were held during the last financial year on April 28, 2007, June 18, 2007, July 25, 2007, October 29, 2007 and on January 7, 2008.

The necessary quorum was present at all the meetings.

The composition of the Audit Committee and number of meetings attended by the members of the Audit Committee are given below:

Name of the Director	Status	No. of Meetings Attended
Shri. Ajay Saraf – Chairman	I – NE	5
Shri. Nainesh Jaisingh	I – NE	4
Shri. Ashok R. Chitnis	I – NE	5

(I – Independent, NE- Non-Executive)

4. NOMINATION-CUM-REMUNERATION COMMITTEE

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

The Committee comprises of two Independent Directors and one non-Independent and non-executive Director viz. Shri. Shahzaad Dalal, Shri. Ashok R. Chitnis and Shri. Kamlesh Kumar Agarwal, respectively. Shri. Shahzaad Dalal is the Chairman of the Committee.

The Nomination-cum-Remuneration Committee reviews the overall remuneration structure of the Executive Directors. The remuneration, if any, of Non-Executive Directors is decided by the Board of Directors.

The remuneration committee met 3 times during the last financial year on April 28, 2007, June 18, 2007 and October 29, 2007.

The Composition of the Committee and details of meetings attended by members are given below :

Name of the Director	Status	No. of Meetings Attended
Shri. Shahzaad Dalal – Chairman	I – NE	2
Shri. Kamlesh Kumar Agarwal	NI - NE	1
Shri. Ashok R. Chitnis(Since 28 th April 2007)	I - NE	3

(NI – Non-Independent, I – Independent, NE- Non-Executive)

(ii) Remuneration Policy

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors. Annual increments are decided by the Remuneration Committee, subject to approval in the General Meeting.

The Company pays Sitting Fee per meeting to its Non-Executive Directors for attending meetings of the Board and other Committee Meetings.

(iii) Details of Remuneration for the year 2007-08

Name of the Director	Sitting Fees	Salaries & Perquisites	Commission	Stock Option
Shri. Kamlesh Kumar Agarwal	—	—	—	—
Shri. Rishi Agarwal	—	Rs. 2,66,88,000/-	—	—
Shri. Saket Agarwal	—	—	—	—
Shri. Ram Swaroop Nakra	—	Rs. 89,50,000/-	—	—
Shri. Ajay Saraf	Rs.30,000/-	—	—	—
Shri. Nainesh Jaisingh	Rs.30,000/-	—	—	—
Shri. Shahzaad Dalal	Rs.15,000/-	—	—	—
Shri. Ashok Chitnis	Rs.45,000/-	—	—	—

(iv) Details of Shares of the Company held by the Directors as on 31st March 2008, are as below:

Name	No. of Shares
Kamlesh Kumar Agarwal	93,750
Rishi Agarwal	1,40,625
Saket Agarwal	1,40,625
Shahzaad Dalal	27,471
Ajay Saraf	10,010

5. COMPENSATION COMMITTEE

In order to attract and retain the best available talent and to reward its high performing employees, the Company decided to introduce an Employees Stock Option Scheme and constituted, on 23rd January 2007, a Compensation Committee with the following directors as members. The Company Secretary acts as Secretary of the Committee.

1	Shri. Shahzaad Dalal	Chairman
2	Shri. Nainesh Jaisingh	Member
3	Shri. Rishi Agarwal	Member

(i) Terms of reference and Functions of the Committee

The functions of the Compensation Committee are as follows :

1. Framing and administration of ESOS Schemes, as may be announced by the Company from time to time.
2. To identify classes of employees entitled to participate in the ESOS and the quantum of options to be granted under the ESOS per employee and in aggregate.
3. To lay conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
4. To fix the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
5. To specify time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
6. To decide regarding the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
7. To fix the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
8. To decide granting, vesting and exercising of options in case of employees who are on long leave.
9. To decide procedure for exercise of cashless options.
10. To prepare the statement of terms and conditions of the ESOS that shall contain disclosures in terms of Clause 5.1, Schedule IV of SEBI (ESOS & ESOP) Guidelines, 1999.

6. SHARE TRANSFER AND INVESTORS GRIEVANCE & FINANCE COMMITTEE

(i) Composition and Attendance

The Composition of the Share transfer and Investors Grievance and Finance Committee and the details of meetings attended by its members are given below:

Name of the Director	Status	Number of Meetings Attended
Shri. Shahzaad Dalal - Chairman	I – NE	2
Shri. Ajay Saraf	I – NE	3
Shri. Rishi Agarwal	NI - E	3
Shri. Saket Agarwal	NI - NE	0
Shri. R.S. Nakra	NI - E	3

(NI – Non-Independent, I – Independent, NE- Non-Executive, E – Executive)

The Share Transfer and Investors Grievance and Finance Committee met three times during the last financial year on June 18, 2007, November 22, 2007 and February 26, 2008.

(ii) Terms of reference

The Share Transfer and Investors Grievance & Finance Committee looks into the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of shares or refund order / dividend / notices / annual reports, etc., and also issue of duplicate certificates and review all other matters connected with securities. The Committee oversees the performance of the Registrar and Share Transfer Agent. The Committee is also authorized to take decisions in financial and banking matters. As on 31st March 2008, no instruments of share transfer were pending.

(iii) Name, designation and address of the Compliance officer

Shri. Ch. Rajashekhar Reddy
 Company Secretary
 & Dy. General Manager (Legal)
 4th Floor, Bhupati Chambers
 13, Mathew Road, Mumbai-400 004.
 Tel: 022-66563000
 Fax:022-23649236
 e-mail: rsreddy@abgindia.com

(iv) Details of Investors' complaints

Investors' complaints received directly or through SEBI and BSE during 1st April, 2007 to 31st March, 2008 and the status of said complaints as on 31st March, 2008 are given below :

Received from	Received and Resolved Upto 31 st March 2008	Pending as at 31 st March 2008
Investors	51	Nil
Through SEBI	2	Nil
Through BSE	1	Nil

7. GENERAL BODY MEETINGS
Location and time of last three Annual General Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395 007, as per details below:

Year	Date	Time	Type of Meeting	Special Resolutions Passed
2004-05	07.07.2005	11.00 a.m.	Annual General Meeting	Adoption of new set of Articles of Association
2005-06	18.08.2006	12.00 noon	Annual General Meeting	Issue of 58,89,175 equity shares to Qualified Institutional Buyers
2006-07	27.09.2007	12.00 noon	Annual General Meeting	1. Modification(s) to Articles of Association 2. Issue of 58,89,175 equity shares to Qualified Institutional Buyers

There were no Special Resolutions passed by the company through Postal ballot at the last Annual General Meeting. No Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

Extra-ordinary General Meetings held during last three years

The Extra-ordinary General Meetings of the Company during last three years were held at the Registered Office of the Company at Near Magdalla Port, Dumas Road, Surat-395 007, as per details below:

Year	Date	Time	Type of Meeting	Special Resolutions Passed
2005-06	22.06.2005	11.30 a.m.	Extra-ordinary General Meeting	1. U/s 372A of the Companies Act, 1956 for investments, loans and guarantees beyond the prescribed limit
2006-07	18.05.2006	12.00 noon	Extra-ordinary General Meeting	1. Raising of funds by issue of appropriate securities 2. Increase in FII's investment limit upto 49% of the paid-up capital
2007-08	28.12.2007	12.00 noon	Extra-ordinary General Meeting	1. To approve ESOP Scheme – 2007 2. Issue of 100,00,000 equity shares to Qualified Institutional Buyers 3. Issue of 50,00,000 convertible preferential warrants to the Promoters

8. DISCLOSURES AND OTHER INFORMATION

- (i) There are no transactions of material significant nature that have been entered into by the Company with the Promoters, Directors, their relatives and the Management and in any company in which they are interested, that may have potential conflict with the interest of the company.
- (ii) There were no instances of non-compliance during the last three years by the Company on any matter related to Capital Market except the miss out of the disclosure requirements in the RHP for which the company had extended the issue closure by two days as per the SEBI directives. There were no penalties imposed, no strictures passed on the Company except as mentioned here above by Stock Exchanges, SEBI or any statutory authority.
- (iii) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with Clause 7 of Annexure I D to clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- (iv) Details of compliance with mandatory requirements and adoption of non-mandatory requirements :
- The Company has complied with all the mandatory requirements.
- The Company has complied with the following non mandatory requirements.
- The Company has a Remuneration Committee.
 - The Company's statements are un-qualified.
 - The Company has laid down a whistle blower policy.
- (v) The Company has laid down a Code of Conduct for all Board members and senior management personnel of the Company. The code of conduct is available on the website of the Company i.e. www.abgindia.com. The declaration of Managing Director is given below.

To,
The Shareholders of ABG Shipyard Ltd.,
Sub: Compliance with Code of Conduct.

I hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct as adopted by the Board of Directors.

For ABG Shipyard Limited

Place: Mumbai
Date: 10th June 2008

R. S. Nakra
Managing Director

9. SECRETARIAL AUDIT

A Qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

10. MEANS OF COMMUNICATION

Quarterly / Half yearly / yearly financial Results of the company are forwarded to Stock Exchanges where the Company's shares are listed. The results are published normally in Economic Times, Financial Express, Sandesh, Gujarat Samachar, DNA, MINT and Hindustan Times.

The quarterly results, half yearly results, Annual results and Shareholding Pattern as well as the Press clips are displayed on the Company's website at www.abgindia.com. In addition to the above, the Company also regularly provides information to the stock exchanges as per the requirements of the Listing Agreements and updates the same on the Company's website periodically to include information on new developments and business opportunities of the Company.

The shareholders who wish to receive intimation, whenever new information is uploaded on www.abgindia.com are requested to send their e-mail ID to seclegal@abgindia.com

The Company has also posted information relating to financial results and shareholding pattern on Electronic Data Information Filing and Retrieval Systems (EDIFAR) at www.sebiedifar.nic.in

Management Discussion & Analysis Report is covered elsewhere in Directors' Report to the Members.

11. GENERAL SHAREHOLDERS INFORMATION
(i) Annual General Meeting

Day, Date and time	:	Monday, 22 nd September, 2008 12.00 noon
Venue	:	At the Registered Office of the Company at: Near Magdalla Port, Dumas Road, Surat-395 007

(ii) Financial Calendar : April to March (Financial year)

First Quarter Results	:	3 rd /4 th week of July
Second Quarter Results	:	3 rd /4 th week of October
Third Quarter Results	:	3 rd /4 th week of January
Fourth Quarter Results	:	3 rd /4 th week of June

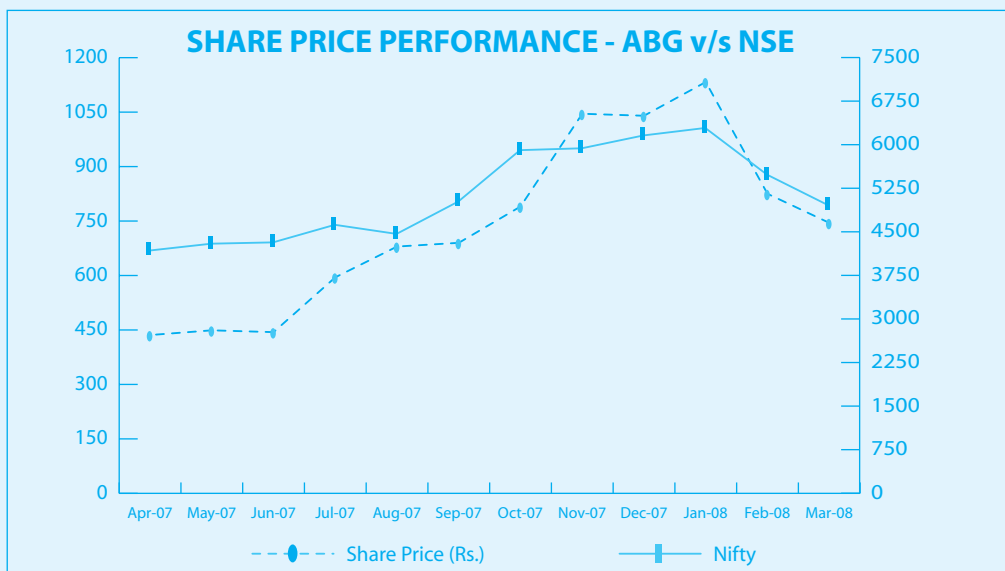
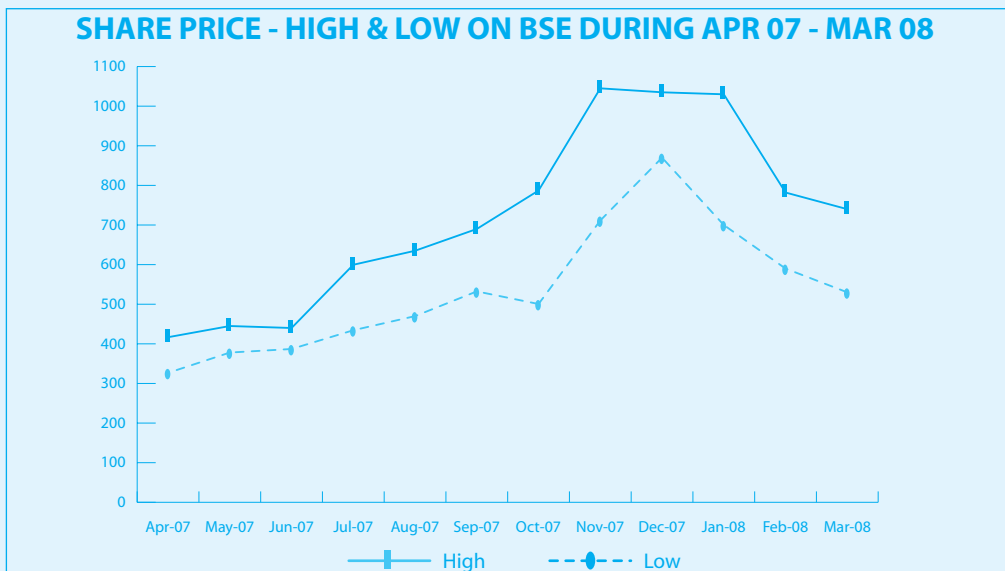
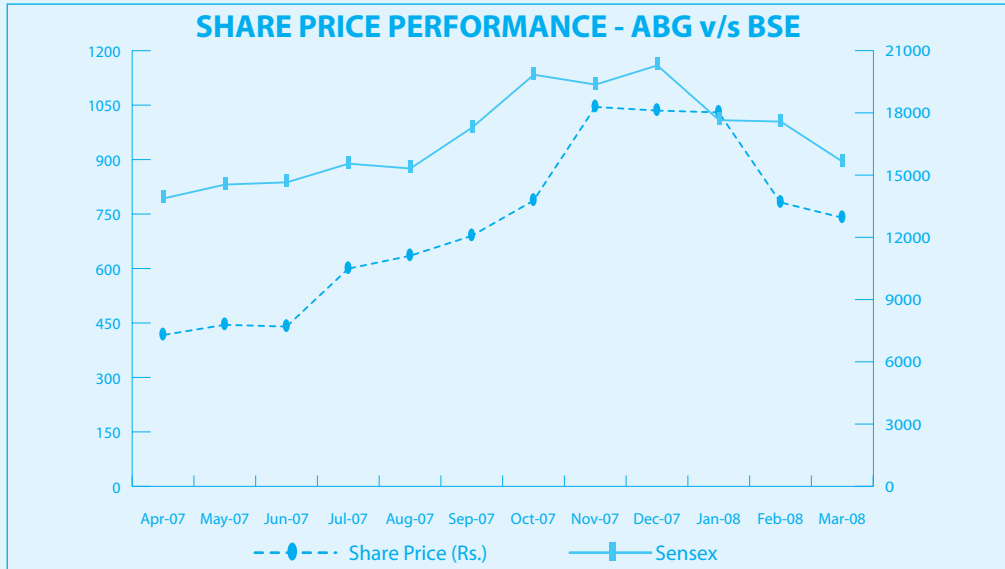
(iii) Book Closure : 15th September, 2008 to 22nd September, 2008 (both days inclusive)
(iv) Dividend Payment Date : On or before 20th October, 2008
(v) Listing at Stock Exchanges

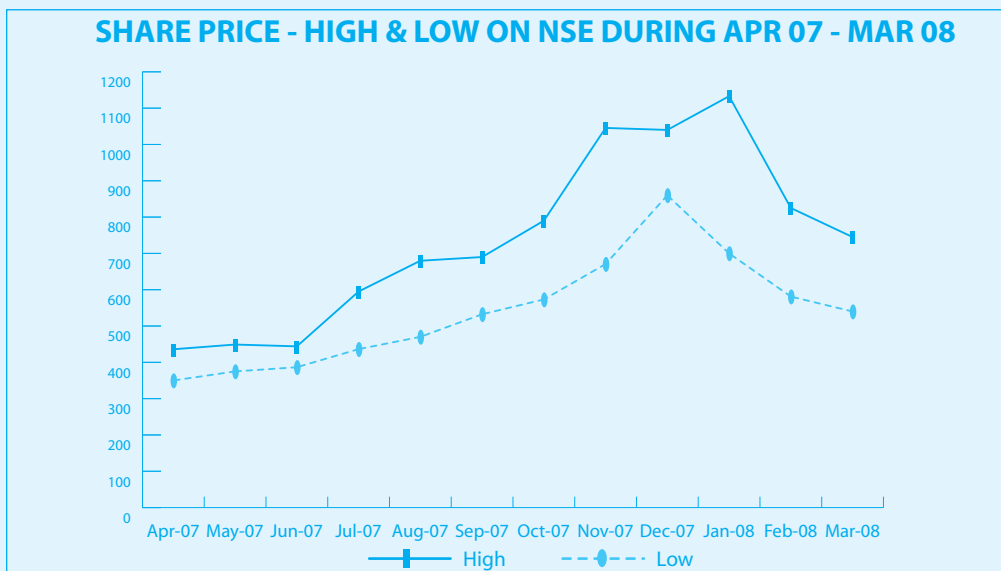
NAME OF STOCK EXCHANGE	STOCK CODE	CODE ON SCREEN
The Bombay Stock Exchange Limited	532682	ABGSHIP
National Stock Exchange of India Limited	ABGSHIP	ABGSHIP Series – EQ

The Company has paid annual listing fees to the above Stock Exchanges for the financial year 2008-09.

(vi) Market Price Data - BSE & NSE

MONTH	BSE				NSE			
	High	Low	Sensex	Shares Traded	High	Low	Nifty	Shares Traded
Apr. - 2007	416.75	326.70	13872.37	32,36,108	436.00	350.00	4177.85	8,72,155
May - 2007	445.00	378.00	14544.46	17,35,059	449.00	375.00	4295.80	29,36,700
Jun. - 2007	440.00	387.00	14650.51	5,45,511	444.00	386.55	4318.30	4,73,620
Jul. - 2007	599.60	434.30	15550.99	15,00,669	595.00	436.35	4620.75	15,82,196
Aug. - 2007	635.00	470.00	15318.60	12,44,868	679.75	470.20	4464.00	14,52,277
Sept. - 2007	690.00	532.40	17291.10	8,96,328	690.00	532.40	5021.35	10,85,296
Oct. - 2007	787.00	500.55	19837.99	4,83,380	790.00	573.15	5905.90	9,68,453
Nov. - 2007	1045.00	711.35	19363.19	7,95,103	1045.50	670.65	5937.90	15,14,008
Dec. - 2007	1035.00	870.00	20286.99	12,49,704	1040.00	860.00	6159.30	15,99,380
Jan. - 2008	1029.95	700.00	17648.71	10,03,079	1132.90	700.05	6287.85	16,32,516
Feb. - 2008	782.00	590.00	17578.72	7,75,744	825.00	581.10	5483.90	12,48,793
Mar. - 2008	740.00	530.05	15644.44	3,10,911	745.00	540.00	4953.00	10,59,209





(vii) Registrar and Share Transfer Agent

Shareholders correspondence should be addressed to the Registrar and Share Transfer Agents of the Company at the following Address:

Intime Spectrum Registry Ltd
 C-13, Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup West
 Mumbai-400 078.
 Tele: 91-22-25963838
 Fax : 91-22-25946969
 e-mail: isrl@intimespectrum.com

(viii) Share Transfer System

The Company’s shares being in compulsory dematerialized (Demat) list are transferable through the depository system. Shares in physical are processed by the Registrar and Share Transfer Agent and approved by Share Transfer and Investors Grievance & Finance Committee of the Board which meets at regular intervals.

(ix) Distribution of shareholding as on 31.03.2008

Range – Shareholding of Nominal value (Rs.)	No. of Shareholders	% of Shareholdings	Number of Shares	% of Shares
1 – 5000	21016	96.95	1022289	2.01
5001 – 10000	304	1.40	236278	0.46
10001 – 20000	144	0.66	212938	0.42
20001 – 30000	47	0.22	122007	0.24
30001 – 40000	22	0.10	78900	0.16
40001 – 50000	26	0.12	123369	0.24
50001 - 100000	28	0.13	210977	0.41
100001 & above	90	0.42	48915043	96.06
Total	21677	100.00	50921801	100.00

(x) Shareholding pattern as on 31.03.2008

Category of Shareholder	Number of shares	Percentage of shareholding
Promoter and Promoter Group	28973598	56.90
Mutual Funds/ UTI	2816825	5.53
Financial Institutions / Banks	36617	0.07
Venture Capital Funds	1340439	2.63
Insurance Companies	2683894	5.27
Foreign Institutional Investors	6708044	13.17
Foreign Venture Capital Investors	4458267	8.76
Bodies Corporate	1479836	2.91
Individuals / Others	2424281	4.76
TOTAL	50921801	100.00

(xi) Dematerialization of Shares

As of 31st March 2008, 50921798 equity shares representing 99.99% of the paid up equity capital of the company have been dematerialized with the following depositories:

Description	ISIN No.	Depositories
Fully Paid	INE 067H01016	National Securities Depository Ltd (NSDL)
	INE 067H01016	Central Depository Services (India) Ltd. (CDSL)

The Company has paid annual custodian charges for both NSDL and CDSL for the year 2008-09.

(xii) Outstanding GDRs/ ADRs/ Warrants or any convertible instruments

The Company was authorised by the members at the Extra Ordinary General Meeting held on 28th December 2007 to issue warrants not exceeding 50,00,000 in aggregate to the promoter, entitling the promoter to apply for and obtain allotment of one equity share against one warrant. Accordingly, the Company issued 40,00,000 convertible preferential warrants to its promoter, M/s. ABG International Private Limited on 15th January 2008 at a price of Rs. 796.66 per warrant.

(xiii) Shipyards

Shipyard

Near Magdalla Port
Off: Dumas Road
Surat-395 007

Shipyard

Village Jageshwar
Near Dahej, Tal – Vagra
Dist. – Bharuch, Gujarat

(xiv) Address for Correspondence

4th / 5th Floor, Bhupati Chambers
13, Mathew Road
Mumbai-400 004.
Tele: 91-22- 66563000
Fax: 91-22-23649236
E-mail: seclegal@abgindia.com

For and on behalf of the Board

**R. S. Nakra
Managing Director**

Place: Mumbai
Date: 10th June 2008

MANAGING DIRECTOR (M.D.) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION ISSUED IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT

To the Board of Directors,
ABG Shipyard Limited

Sub: Managing Director (M.D.) and Chief Financial Officer (CFO) Certification

We have reviewed the financial statements, read with the cash flow statement of ABG Shipyard Limited for the year ended March 31, 2008 and that to the best of our knowledge and belief, we state that;

1. (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading,

(b) these statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
4. We have indicated to the Auditors and the Audit Committee;
 - (a) significant changes in the internal control over financial reporting during the year,
 - (b) significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

R. S. Nakra
Managing Director

Dhananjay Datar
Chief Financial Officer

Date: 10th June 2008