

Pipavav Defence and Offshore Engineering Company Limited

(formerly known as Pipavav Shipyard Limited)

Registered Office: Pipavav Port, Post Ucchiaya, Via Rajula, Dist. Amreli, Gujarat - 365 560. India.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2012

Rs in Lacs except share data

| Sr. No. | Particulars | Standalone | | | | | Consolidated | |
|-----------------|--|------------------------------|--|---|--------------------------|--------------------------------------|--------------------------|--------------------------------------|
| | | 3 months ended 31.03.2012 | Preceeding 3 months ended 31.12.2011 | Corresponding 3 months ended 31.03.2011 in the previous year | Year ended 31.03.2012 | Previous year ended 31.03.2011 | Year ended 31.03.2012 | Previous year ended 31.03.2011 |
| | | Unaudited | Unaudited | Unaudited | Audited | Audited | Audited | Audited |
| PART - 1 | | | | | | | | |
| 1 | Income from operations | | | | | | | |
| (a) | Net Income from Operations | 61,787.79 | 46,135.74 | 25,881.57 | 186,706.47 | 85,993.41 | 186,706.47 | 85,993.41 |
| (b) | Other Operating Income | 24.38 | 2.81 | 303.78 | 60.99 | 768.29 | 62.32 | 768.29 |
| | Total Income from operations (net) | 61,812.17 | 46,138.55 | 26,185.35 | 186,767.46 | 86,761.70 | 186,768.79 | 86,761.70 |
| | Expenses | | | | | | | |
| (a) | Cost of Materials Consumed | 12,113.78 | 10,585.83 | 7,013.40 | 49,877.97 | 28,283.20 | 49,877.97 | 28,283.20 |
| (b) | Purchases of Stock - in - trade | 25,601.93 | 10,825.57 | 8,357.60 | 51,662.25 | 25,758.80 | 51,662.25 | 25,758.80 |
| (c) | Changes in Inventories of Finished Goods, Work-in-progress and stock-in-trade | 471.57 | (142.80) | 3,107.62 | 113.02 | 2,235.06 | 113.02 | 2,235.06 |
| (d) | Employees benefits expenses | 1,496.73 | 1,074.71 | 778.82 | 4,578.09 | 2,739.93 | 4,621.97 | 2,773.20 |
| (e) | Depreciation and amortisation expenses | 2,922.11 | 2,951.40 | 1,245.82 | 10,589.16 | 4,873.26 | 11,028.09 | 5,198.09 |
| (f) | Other Expenditure | 9,079.90 | 12,428.11 | (3,914.24) | 39,288.09 | 11,729.28 | 38,409.71 | 10,764.33 |
| 2 | Total Expenditure | 51,686.02 | 37,722.82 | 16,589.02 | 156,108.58 | 75,619.53 | 155,713.01 | 75,012.68 |
| 3 | Profit from operations before Other Income, Finance Costs & Exceptional Items (1-2) | 10,126.15 | 8,415.73 | 9,596.33 | 30,658.88 | 11,142.17 | 31,055.78 | 11,749.02 |
| 4 | Other Income | 612.56 | 500.70 | 225.34 | 2,379.26 | 5,587.40 | 2,379.75 | 5,592.49 |
| 5 | Profit from ordinary activities before Finance Costs and Exceptional Items (3+4) | 10,738.71 | 8,916.43 | 9,821.67 | 33,038.14 | 16,729.57 | 33,435.53 | 17,341.51 |
| 6 | Finance Costs | 8,283.26 | 6,907.20 | 4,088.12 | 25,768.18 | 11,934.38 | 25,768.28 | 11,934.45 |
| 7 | Profit from ordinary activities after Finance Costs but before Exceptional Items (5-6) | 2,455.45 | 2,009.23 | 5,733.55 | 7,269.96 | 4,795.18 | 7,667.25 | 5,407.06 |
| 8 | Exceptional Items | - | - | - | - | - | - | - |
| 9 | Profit from Ordinary Activities before Tax (7+8) | 2,455.45 | 2,009.23 | 5,733.55 | 7,269.96 | 4,795.18 | 7,667.25 | 5,407.06 |
| 10 | Tax Expense (Including Deferred Tax) | 3,737.04 | 613.70 | 805.59 | 5,418.38 | 805.59 | 5,525.98 | 1,025.49 |
| 11 | Net Profit / (Loss) from Ordinary Activities after Tax (9-10) | (1,281.59) | 1,395.53 | 4,927.96 | 1,851.58 | 3,989.59 | 2,141.27 | 4,381.57 |
| 12 | Extraordinary items (Net of Tax Expenses) | - | - | - | - | - | - | - |
| 13 | Net Profit / (Loss) for the Period (11-12) | (1,281.59) | 1,395.53 | 4,927.96 | 1,851.58 | 3,989.59 | 2,141.27 | 4,381.57 |
| 14 | Share of Profit of Associate | - | - | - | - | - | 23.43 | - |
| 15 | Net Profit after Taxes and share of profit of Associate (13+14) | (1,281.59) | 1,395.53 | 4,927.96 | 1,851.58 | 3,989.59 | 2,164.70 | 4,381.57 |
| 16 | Paid-up Equity Share Capital (Face Value of Rs. 10/- each) | 69,119.84 | 69,119.84 | 66,579.84 | 69,119.84 | 66,579.84 | 69,119.84 | 66,579.84 |
| 17 | Reserves excluding Revaluation Reserves as per audited Balance Sheet. | | | | 124,773.73 | 101,426.59 | 125,715.62 | 102,055.36 |
| 18 | Earnings Per Share (EPS) (Not Annualised) | | | | | | | |
| (a) | Basic EPS (Rs.) | (0.19) | 0.21 | 0.74 | 0.27 | 0.60 | 0.32 | 0.66 |
| (b) | Diluted EPS (Rs.) | (0.19) | 0.21 | 0.74 | 0.27 | 0.60 | 0.32 | 0.66 |

PART - 2

| A - PARTICULARS OF SHAREHOLDING | | | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1 | Public Shareholding | | | | | | | |
| | - No. of Shares | 391,622,208 | 391,622,208 | 366,222,208 | 391,622,208 | 366,222,208 | 391,622,208 | 366,222,208 |
| | - % of Shareholding | 56.66% | 56.66% | 55.00% | 56.66% | 55.00% | 56.66% | 55.00% |
| 2 | Promoter & Promoter Group Shareholding | | | | | | | |
| | a) Pledged / Encumbered | | | | | | | |
| | - Number of Shares | 291,471,179 | 291,471,179 | 298,371,179 | 291,471,179 | 298,371,179 | 291,471,179 | 298,371,179 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 97.29% | 97.29% | 99.60% | 97.29% | 99.60% | 97.29% | 99.60% |
| | - Percentage of shares (as a % of the total share capital of the company) | 42.17% | 42.17% | 44.81% | 42.17% | 44.81% | 42.17% | 44.81% |
| | b) Non-Encumbered | | | | | | | |
| | - Number of Shares | 8,105,001 | 8,105,001 | 1,205,001 | 8,105,001 | 1,205,001 | 8,105,001 | 1,205,001 |
| | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 2.71% | 2.71% | 0.40% | 2.71% | 0.40% | 2.71% | 0.40% |
| | - Percentage of shares (as a % of the total share capital of the company) | 1.17% | 1.17% | 0.19% | 1.17% | 0.19% | 1.17% | 0.19% |

| Sr No. | Particulars | 3 months ended 31.03.2012 |
|--------|-------------|------------------------------|
|--------|-------------|------------------------------|

B - INVESTOR COMPLAINTS

| | | |
|----|--|---|
| 01 | Pending at the beginning of the quarter | - |
| 02 | Received during the quarter | - |
| 03 | Disposed of during the quarter | - |
| 04 | Remaining unresolved at the end of the quarter | - |

STATEMENT OF ASSETS AND LIABILITIES

Rs in Lacs

| Particulars | STANDALONE | | CONSOLIDATED | |
|---|-------------------|-------------------|-------------------|-------------------|
| | As at 31.03.2012 | As at 31.03.2011 | As at 31.03.2012 | As at 31.03.2011 |
| | (Audited) | (Audited) | (Audited) | (Audited) |
| A EQUITY AND LIABILITIES | | | | |
| 1) Shareholders' Funds | | | | |
| a) Share Capital | 69,119.84 | 66,579.84 | 69,119.84 | 66,579.84 |
| b) Reserves and Surplus | 124,773.73 | 101,426.59 | 125,715.62 | 102,055.36 |
| c) Monies received against Convertible Share Warrants | 3,997.50 | 6,254.96 | 3,997.50 | 6,254.96 |
| Sub-total - Shareholders' funds | 197,891.07 | 174,261.39 | 198,832.96 | 174,890.16 |
| 2) Non - Current Liabilities | | | | |
| a) Long - Term Borrowings | 100,177.22 | 93,498.97 | 100,177.23 | 93,498.98 |
| b) Deferred Tax Liabilities (Net) | 6,246.33 | 794.20 | 6,717.90 | 1,158.17 |
| c) Other Long - Term Liabilities | 19,436.59 | 14,983.07 | 19,936.59 | 15,483.07 |
| d) Long - Term Provisions | - | - | 3.38 | 2.28 |
| Sub- total - Non Current Liabilities | 125,860.14 | 109,276.24 | 126,835.10 | 110,142.50 |
| 3) Current Liabilities | | | | |
| a) Short Term Borrowings | 172,319.58 | 75,976.18 | 172,330.10 | 75,987.78 |
| b) Trade Payables | 43,090.62 | 16,134.21 | 43,182.05 | 16,143.10 |
| c) Other Current Liabilities | 54,231.99 | 67,760.45 | 55,305.12 | 68,976.85 |
| d) Short - Term Provisions | 2,501.34 | 9,000.68 | 2,503.77 | 9,002.68 |
| Sub- total - Current Liabilities | 272,143.53 | 168,871.52 | 273,321.04 | 170,110.41 |
| TOTAL - EQUITY AND LIABILITIES | 595,894.74 | 452,409.15 | 598,989.10 | 455,143.07 |
| B ASSETS | | | | |
| 1) Non - Current Assets | | | | |
| a) Fixed Assets | 276,948.18 | 269,864.27 | 291,716.72 | 283,833.81 |
| b) Goodwill on Consolidation | - | - | 1,017.96 | 1,017.96 |
| c) Non-Current Investments | 2,050.26 | 1,896.78 | 176.97 | 0.05 |
| d) Long Term Loans and Advances | 61,604.76 | 16,059.85 | 54,644.23 | 9,050.85 |
| Sub- total - Non - Current Assets | 340,603.20 | 287,820.90 | 347,555.88 | 293,902.67 |
| 2) Current Assets | | | | |
| a) Current Investments | 900.00 | 2,299.74 | 900.00 | 2,299.74 |
| b) Inventories | 33,910.19 | 24,534.79 | 33,910.19 | 24,534.80 |
| c) Trade Receivables | 90,942.09 | 20,499.33 | 90,942.12 | 20,499.30 |
| d) Cash and Bank Balances | 27,825.25 | 42,562.57 | 27,828.56 | 42,772.90 |
| e) Short Term Loans and Advances | 33,954.06 | 31,244.64 | 30,092.41 | 27,686.48 |
| f) Other Current Assets | 67,759.95 | 43,447.18 | 67,759.94 | 43,447.18 |
| Sub- total - Current Assets | 255,291.54 | 164,588.25 | 251,433.22 | 161,240.40 |
| TOTAL - ASSETS | 595,894.74 | 452,409.15 | 598,989.10 | 455,143.07 |

Report of Segment wise Revenue, Results and Capital Employed, under Clause 41 of the Listing Agreement :

Rs in Lacs

| Particulars | Standalone | | | | | Consolidated | |
|--|---------------------------|-------------------------------------|--|-----------------------|--------------------------------|-----------------------|--------------------------------|
| | 3 months ended 31.03.2012 | Preceding 3 months ended 31.12.2011 | Corresponding 3 months ended 31.03.2011 in the previous year | Year ended 31.03.2012 | Previous year ended 31.03.2011 | Year ended 31.03.2012 | Previous year ended 31.03.2011 |
| | Unaudited | Unaudited | Unaudited | Audited | Audited | Audited | Audited |
| 1. Segment Revenue | | | | | | | |
| a) Ship-building & Ship-repairs | 35,927.96 | 35,190.86 | 17,277.07 | 134,370.55 | 59,437.15 | 134,370.55 | 59,437.15 |
| b) Trading | 25,859.83 | 10,944.88 | 8,604.50 | 52,335.92 | 26,556.26 | 52,335.92 | 26,556.26 |
| Total | 61,787.79 | 46,135.74 | 25,881.57 | 186,706.47 | 85,993.41 | 186,706.47 | 85,993.41 |
| Less : Inter-segment Revenue | - | - | - | - | - | - | - |
| Sales/Income from Operations (Net) | 61,787.79 | 46,135.74 | 25,881.57 | 186,706.47 | 85,993.41 | 186,706.47 | 85,993.41 |
| 2. Segment Results (Segment Revenue - Segment Expenses) | | | | | | | |
| a) Ship-building & Ship-repairs | 15,637.35 | 12,955.24 | 10,977.51 | 39,181.14 | 12,724.77 | 38,502.56 | 13,187.87 |
| b) Trading | 257.90 | 119.31 | 246.89 | 673.67 | 797.45 | 673.67 | 797.46 |
| Total | 15,895.25 | 13,074.55 | 11,224.40 | 39,854.81 | 13,522.22 | 39,176.23 | 13,985.33 |
| Less : i) Finance Costs | 8,283.26 | 6,907.20 | 4,088.12 | 25,768.18 | 11,934.38 | 25,768.28 | 11,934.45 |
| ii) Unallocated Corporate Expenses | 5,695.82 | 4,661.63 | 1,921.86 | 9,159.27 | 3,148.35 | 8,083.30 | 3,004.61 |
| Add : Unallocated Income | 539.28 | 503.51 | 519.13 | 2,342.60 | 6,355.69 | 2,342.60 | 6,360.79 |
| Total Profit Before Tax | 2,455.45 | 2,009.23 | 5,733.55 | 7,269.96 | 4,795.18 | 7,667.25 | 5,407.06 |
| 3. Capital Employed (Segment Assets - Segment Liabilities) | | | | | | | |
| a) Ship-building & Ship-repairs | 457,987.16 | 431,133.09 | 324,083.12 | 457,987.16 | 324,083.12 | 465,280.47 | 334,053.52 |
| b) Trading | 11,504.59 | 9,350.85 | 2,355.42 | 11,504.59 | 2,355.42 | 11,504.57 | 2,355.42 |
| c) Unallocated (Assets - Liabilities) | (271,600.68) | (241,320.09) | (152,177.15) | (271,600.68) | (152,177.15) | (277,952.08) | (161,518.78) |
| Total | 197,891.07 | 199,163.85 | 174,261.39 | 197,891.07 | 174,261.39 | 198,832.96 | 174,890.16 |

Notes :

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).

Ship Building and Ship Repair comprises of Ship-Building and Repair activities carried out by the Company at or from its Shipyard located at Pipavav, Gujarat.

Notes :

- 01 The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on May 30, 2012, and approved for release.
- 02 As per the Revised Guidelines for the Shipbuilding Subsidy issued by the Government of India on March 25, 2009, the Company is eligible for subsidy at the rate of 30% of the contract price, in respect of the export order received for vessels for which the contracts with the customers were signed on or before August 14, 2007. Accordingly, Government Subsidy of Rs. 2,304.58 Lacs for the quarter ended March 31, 2012 and Rs. 12,753.54 Lacs for the year ended March 31, 2012 has been recognised as revenue in respect of Ships under construction on proportionate completion basis.
- 03 2,52,21,612 Convertible Share Warrants (Warrants) were issued by the company during the Financial Year 2010 -11 on preferential basis. On or before the due date, warrant holder did not exercise the option against said warrants, accordingly Rs. 6,254.96 Lacs being the amount received against said Warrants has been forfeited by the company and credited to the Capital Reserve.
- 04 The Company has order for building several panamax sister vessels. The Company has initiated arbitration proceedings as per terms of contract for four panamax vessels & subsequently, the Company has received alleged cancellation notices for these vessels. The Company is of the view that it has a strong case. However, since most of the panamax vessels are sister vessels, the Company can deliver these vessels against orders for balance panamax vessels. Therefore the Company continues to recognise the revenue on these vessels.
- 05 The Company has been chosen as a partner for formation of Joint Venture to build warships for Indian Navy by Mazagon Dock Limited, the premier Defence Shipyard of the Ministry of Defence, Government of India, pursuant to the Joint Venture guidelines issued by the Ministry of Defence, Government of India, for establishing joint venture companies by Defence Public Sector Undertakings (DPSUs).
- 06 The Consolidated accounts have been prepared in accordance with Accounting Standards (AS) 21, on Consolidated Financial Statements and AS 23 on Accounting for Investments in Associates in Consolidated Financial Statements.
- 07 The figures for the corresponding previous period have been restated/regrouped wherever necessary, to make them comparable. The figures of the quarter ended March 31, 2012, are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto the third quarter of the current financial year.

**For Pipavav Defence and Offshore
Engineering Company Limited**

**Bhavesh P. Gandhi
Executive Vice Chairman
DIN - 00030623**