



Pipavav Defence and Offshore Engineering Company Limited

(formerly known as Pipavav Shipyard Limited)

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30TH, 2011.

Rs in Lacs Except share data

Sr No	Particulars	Quarter Ended		Half Year Ended		Year Ended
		30.09.2011	30.09.2010	30.09.2011	30.09.2010.	March 2011
		Unaudited		Unaudited		Audited
1	Income					
(a)	Net Sales / Income from Operations	44,915.29	17,566.19	78,718.48	35,168.45	85,993.08
(b)	Other Operating Income	67.69	-	98.27	-	768.29
	Total Income	44,982.98	17,566.19	78,816.75	35,168.45	86,761.37
2	Expenditure					
(a)	(Increase) / Decrease in Stock in trade & Work in progress	1,455.02	192.01	(215.75)	(458.20)	2,235.06
(b)	Consumption of Raw Materials and Components	13,262.24	1,499.67	27,178.36	8,417.96	28,283.20
(c)	Purchase of Traded Goods	6,536.62	7,842.16	15,234.75	9,484.25	25,758.80
(d)	Employees Cost	1,097.71	714.30	2,006.65	1,342.99	2,739.93
(e)	Cost estimated for Revenue Recognised	(284.75)	1,594.62	(2,377.81)	5,806.27	(3,028.47)
(f)	Depreciation	2,922.78	1,215.28	4,715.65	2,392.08	4,873.26
(g)	Exchange difference (Net)	1,195.35	(600.12)	1,150.92	447.55	(1,227.30)
(h)	Other Expenditure	11,598.18	4,651.62	19,009.23	7,065.25	15,977.99
	Total Expenditure	37,783.15	17,109.54	66,702.00	34,498.15	75,612.47
3	Profit from operations before Other Income, Interest & Exceptional Items (1 - 2)	7,199.83	456.65	12,114.75	670.30	11,148.90
4	Other Income	653.78	1,972.99	1,265.99	3,073.29	5,568.22
5	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	7,853.61	2,429.64	13,380.74	3,743.59	16,717.12
6	Interest and Financial Charges	6,273.58	2,649.42	10,577.72	4,942.31	11,900.63
7	Profit / (Loss) after Interest but before Exceptional Items (5 - 6)	1,580.03	(219.78)	2,803.02	(1,198.72)	4,816.49
8	Exceptional Items	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7 + 8)	1,580.03	(219.78)	2,803.02	(1,198.72)	4,816.49
10	Tax Expense (Including Deferred Tax)	638.98	-	1,067.64	-	839.34
11	Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)	941.05	(219.78)	1,735.38	(1,198.72)	3,977.15
12	Extraordinary items (Net of Tax Expenses)	-	-	-	-	-
13	Net Profit / (Loss) for the Period (11 - 12)	941.05	(219.78)	1,735.38	(1,198.72)	3,977.15
14	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	66,579.84	66,579.84	66,579.84	66,579.84	66,579.84
15	Reserves excluding Revaluation Reserves as per audited Balance Sheet of previous accounting year	-	-	-	-	102,501.56
16	Earnings Per Share (EPS) not annualised					
(a)	Basic EPS (Rs.)	0.14	(0.03)	0.26	(0.18)	0.60
(b)	Diluted EPS (Rs.)	0.14	(0.03)	0.26	(0.18)	0.60
17	Aggregate of Public Share Holding					
	- No. of Shares	366,222,208	367,427,208	366,222,208	367,427,208	366,222,208
	- % of Shareholding	55.00%	55.19%	55.00%	55.19%	55.00%
18	Promoter & Promoter Group Shareholding					
	a) Pledged / Encumbered					
	- Number of Shares	291,471,179	298,371,179	291,471,179	298,371,179	298,371,179
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	97.29%	100.00%	97.29%	100.00%	99.60%
	- Percentage of shares (as a % of the total share capital of the company)	43.78%	44.81%	43.78%	44.81%	44.81%
	b) Non-Encumbered					
	- Number of Shares	8,105,001	1	8,105,001	1	1,205,001
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	2.71%	0.00%	2.71%	0.00%	0.40%
	- Percentage of shares (as a % of the total share capital of the company)	1.22%	0.00%	1.22%	0.00%	0.19%

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 November 11, 2011, and approved for release.
- 02 The Statutory Auditors of the Company have carried out a Limited Review of the above Financial Results in accordance with the Clause 41 of the Listing Agreement.
- 03 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. 4,037.24 Lacs for the quarter ended September 30, 2011 and Rs. 6,936.06 Lacs for the period ended September 30, 2011 (Rs. 1,589.71 Lacs for the corresponding quarter ended September 30, 2010 and Rs. 3,826.41 Lacs for the period ended September 30, 2010 and Rs. 7,494.13 Lacs for the Previous Year) has been recognised as revenue in respect of Ships under construction on proportionate completion basis.
- 04 2,54,00,000 10% Fully, Compulsorily and Mandatorily Convertible Unsecured Debentures (CCDs) of Rs. 70/- each allotted to Valiant Mauritius Partners FDI Ltd. were due for conversion in 2,54,00,000 equity shares on May 18, 2011. Post the Company entering into defence sector, said CCDs can be converted into equity shares only with prior approval of Govt. of India through FIPB as per Consolidated FDI Policy. The Company has filed the required application with FIPB and approval is awaited.
- 05 The Company pursuant to Share Purchase Agreement executed with shareholders of Conceptia Software Technologies Pvt. Ltd. ("Conceptia") on August 11, 2011 agreed to acquire 51% equity shares of the Conceptia. During the quarter ended Sept. 30, 2011 the Company has acquired 1,12,200 fully paid up equity shares of Conceptia representing its 25.50% paid-up capital.
- 06 At the Annual General Meeting held on October 5, 2011, Shareholders have approved, subject to required statutory approvals, issue of 1,05,00,000 Convertible Warrants @ Rs. 78/- each to individual investors (Mr. Rakesh Jhunjhunwala, Ms. Rekha Jhunjhunwala and Mr. Utpal Sheth) and 1,00,00,000 Convertible Warrants @ Rs. 78/- each to Grevek Investments and Finance Pvt. Limited, one of the promoters of the Company. Each Warrant is convertible into one fully paid-up equity share of the Company of Rs. 10/- each on receipt of balance amount payable on conversion, at any time prior to 18 months from the date of allotment of Warrants.
- 07 On October 12, 2011 the Income Tax authorities carried out search and seizure operations at the Company premises. Given the information provided so far and the investigation carried out at the time of this operation, the Company believes that there will be no material tax liability for the year. The amount of tax liability, if any shall be determined upon completion of the process by the Tax Authorities.
- 08 In respect of Offshore Vessels (OSVs), the Company has accounted for contract revenue and expenses based on the proportion of completion of contracts certified by technical experts. Reversal of the "Cost estimated for Revenue Recognised" represents the cost incurred out of the amount provided in earlier period towards the cost to be incurred with an aim to allocate the profit on the said contract to whole of the contract.
- 09 STATEMENT OF ASSETS AND LIABILITIES IS AS UNDER:-

Particulars	STANDALONE	
	As at 30.09.2011 (Unaudited)	As at 30.09.2010 (Unaudited)
SHAREHOLDERS' FUNDS		
(a) Capital	66,579.84	66,579.84
(b) Reserves and Surplus	103,156.02	102,485.05
CONVERTIBLE SHARE WARRANTS	6,254.96	6,254.96
LOAN FUNDS	251,203.42	153,623.96
DEFERRED TAX LIABILITY	1,891.88	-
	429,086.12	328,943.81
NET FIXED ASSETS (including Capital Work in Progress)	275,265.71	256,167.93
INVESTMENTS	2,050.27	10,405.84
CURRENT ASSETS, LOANS AND ADVANCES		
(a) Inventories	30,689.96	19,348.03
(b) Sundry Debtors	53,215.40	9,633.76
(c) Cash and Bank Balances	38,025.23	60,551.34
(d) Other current Assets	62,558.38	37,555.35
(e) Loans and Advances	57,187.20	33,669.52
Less: Current Liabilities and Provisions		
(a) Liabilities	(82,681.67)	(83,835.16)
(b) Provisions	(7,224.36)	(20,805.27)
PROFIT AND LOSS ACCOUNT	-	6,252.47
	429,086.12	328,943.81

- 10 The above results are prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS) - 25 - "Interim Financial Reporting" as those followed in previous years. The previous year / Period figures have been reworked, regrouped, rearranged and reclassified, wherever necessary to make them comparable with those of the current period.
- 11 The Company's activities during the period predominantly revolved around the Shipbuilding, Ship repair and related activities, accordingly there is only one reportable segment.
- 12 There were no complaints pending from investors at the beginning of the quarter, 2 complaints were received and resolved during the quarter ended September 30, 2011 and no complaint was outstanding as on September 30, 2011.

Place :- Mumbai
Date :- November 11, 2011

For Pipavav Defence and Offshore Engineering Company Limited

Bhavesh P. Gandhi
Executive Vice Chairman
DIN - 00030623