

ABG

30th May, 2016

The General Manager
Department of Corporate Services
The Bombay Stock Exchange Ltd
Mumbai Samachar Marg
Mumbai -400 001.
Fax: 2272 2037/39/41/61

National Stock Exchange of India Ltd.
Exchange Plaza, Plot C-1, G Block
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
Fax – 26598237/38

Scrip Code : 532682

Symbol: ABGSHIP- Series EQ

Dear Sirs,

Sub: Outcome of Board Meeting held on 30th May, 2016

With reference to the subject matter, we would like to inform you that the Board of Directors of the Company at their meeting held today, i.e, **30th May, 2016** have approved the following:

- Have approved the Audited Financial Results for the quarter and year ended 31st March, 2016.
- Accepted and took note of the resignation of Mr. Syed Abdi – Managing Director and CEO, w.e.f, 30th April, 2016.

A copy of the Audited Financial Results for the quarter and year ended 31st March, 2016 along with auditors report are enclosed herewith for your reference.

You are requested to kindly take a note of the above and oblige.

Thanking you,

Yours faithfully

For ABG Shipyard Limited


Director

ABG Shipyard Ltd.

5th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai - 400 004. Tel.: 91-22-6656 3000 Fax: 91-22-6622 3050
E-mail : shipyard@abgindia.com CIN : L61200GJ1985PLC007730

Regd. Office:- Near Magdalla Port, Dumas Road, Surat - 395 007. Tel.: 91-0261 - 2725191



FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2016

Rs. In crore

Particulars	Quarter Ended			Year Ended	
	STANDALONE			STANDALONE	
	31.03.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2015 (Unaudited)	31.03.2016 (Audited)	31.03.2015 (Audited)
Net Sales / Income from Operations	1.95	2.00	20.52	34.17	385.74
Other Operating Income	0.10	-	1.43	0.10	6.42
Total Income from operations	2.05	2.00	21.95	34.27	392.16
Expenses:					
a. Cost of Material consumed	72.39	18.34	70.14	129.51	135.84
b. Purchase of Stock in Trade	-	-	-	-	0.61
c. Change in inventories of finished goods, Work in progress and stock in trade	71.31	(36.13)	(10.41)	203.22	90.97
d. Employees benefit expenses	11.00	9.28	16.94	47.16	65.45
e. Depreciation and amortisation expenses	20.22	20.49	11.07	81.51	99.14
f. Other Expenses	325.78	1,054.23	193.42	1,468.76	390.73
Total Expenses	500.70	1,066.21	281.16	1,930.16	782.74
Profit (Loss) from operation before other income, finance cost and exceptional items	(498.65)	(1,064.21)	(259.21)	(1,895.89)	(390.58)
Other Income	0.84	0.81	(7.90)	3.49	9.52
Profit(Loss) from ordinary activities before finance cost & exceptional items	(497.81)	(1,063.40)	(267.11)	(1,892.40)	(381.06)
Finance cost	257.69	202.83	218.05	857.13	804.83
Profit (Loss) from ordinary activities after finance cost but before exceptional items	(755.50)	(1,266.23)	(485.16)	(2,749.53)	(1,185.89)
Exceptional Items	974.56	-	-	974.56	-
Profit (Loss)from ordinary activities before Tax	(1,730.06)	(1,266.23)	(485.16)	(3,724.09)	(1,185.89)
Tax Expense:					
- Current Tax	-	-	-	-	-
- Current tax for earlier years	-	-	8.84	-	8.84
- MAT credit (entitlement) / Utilised	-	-	288.85	-	110.96
- Deferred Tax	(19.38)	-	(407.99)	(19.38)	(407.99)
Net Profit (Loss)from Ordinary activities after tax	(1,710.68)	(1,266.23)	(374.86)	(3,704.71)	(897.70)
Extraordinary items (Net of Tax Expense)	-	-	-	-	-
Net (Loss)Profit for the period	(1,710.68)	(1,266.23)	(374.86)	(3,704.71)	(897.70)
Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	54.03	54.03	53.84	54.03	53.84
Reserves and Surplus (excluding Revaluation Reserve)	-	-	-	(3,246.61)	452.98
Basic and Diluted EPS before extraordinary items (In Rupees) (Not Annualised)	(317.58)	(235.07)	(75.22)	(687.77)	(172.91)
Basic and Diluted EPS after extraordinary items (In Rupees) (Not Annualised)	(317.58)	(235.07)	(75.22)	(687.77)	(172.91)
PARTICULARS OF SHAREHOLDING					
Public Shareholding					
- Number of Shares	36,059,246	33,190,828	22,253,529	36,059,246	22,253,529
- Percentage of Shareholding	66.74%	61.43%	41.33%	66.74%	41.33%
Promoter and Promoter Group Shareholding					
a. Pledged / Encumbered					
- Number of shares	17,851,256	207,196,74	30,116,698	17,851,256	30,116,698
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	99.33%	99.42%	95.35%	99.33%	95.35%
-Percentage of shareholding (as a % of total share capital of the company)	33.04%	38.35%	55.94%	33.04%	55.94%
b. Non- Encumbered					
- Number of shares	120,346	120,346	1,469,342	120,346	1,469,342
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	0.67%	0.58%	4.65%	0.67%	4.65%
-Percentage of shareholding (as a % of total share capital of the company)	0.22%	0.22%	2.73%	0.22%	2.73%



STATEMENT OF ASSETS AND LIABILITIES	STANDALONE	
	As at 31.03.2016	As at 31.03.2015
PARTICULARS		
A. EQUITIES AND LIABILITIES :		
1. Shareholders Fund :		
a. Share Capital	387.68	310.93
b. Reserves & Surplus	(3,209.89)	491.51
	(2,822.21)	802.44
2. Share Application money pending allotment	-	-
3. Non Current Liabilities		
a. Long Term Borrowings	5,030.82	4,345.37
b. Deferred Tax Liabilities (net)	-	19.38
c. Long Terms Provisions	6.69	6.19
	5,037.51	4,370.94
4. Current Liabilities		
a. Short term borrowings	3,710.77	2,257.93
b. Trade Payables	398.19	505.06
c. Other Current Liabilities	4,866.42	4,362.71
d. Short term Provisions	51.68	55.96
	8,827.06	7,181.66
TOTAL EQUITIES AND LIABILITIES	11,042.36	12,355.04
ABG SHIPYARD LTD.		
B. ASSETS		
1. Non Current Assets		
a. Fixed Assets	2,620.80	2,719.59
b. Non Current Investments	220.13	220.13
c. Long Term loans and Advances	231.69	317.23
	3,072.62	3,256.95
2. Current Assets		
a. Inventories	4,969.55	4,950.41
b. Trade Receivables	81.99	79.55
c. Cash and Bank Balances	94.72	50.85
d. Short terms Loans and Advances	2,237.66	3,438.12
e. Other Current Assets	585.82	579.16
	7,969.74	9,098.09
TOTAL ASSETS	11,042.36	12,355.04

Notes:

- The above results for the year ended 31st March 2016 were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meeting held on 30th May, 2016.
- The company has one foreign subsidiary, viz ABG Shipyard Singapore Pte. Ltd and two Indian subsidiaries viz Western India Shipyard Ltd. (WISL) and ABG FPSO Pvt. Ltd. The company has, in absence of availability of audited WISL due to labour unrest, prepared and presented its own standalone results. The Consolidated results shall be prepared and presented once results of WISL and other two subsidiaries are approved by the respective Board of directors.
- The Corporate Debt Restructuring ("the CDR") Scheme was approved by the CDR EG at its meeting held on 24th March 2014, and communicated to the Company by the CDR Cell vide provisional Letter of approval dated 27th March 2014 bearing reference number CDR (PMJ) NO.1193/2013-14.
Pursuant to the scheme of CDR, the Company has allotted total 33,36,46,056 Nos. of 0.01 % Compulsorily Convertible Preference Shares (CCPS) of Face Value Rs.10/- each and have been issued to CDR lenders towards conversion of the Funded interest Term Loan (FITL) / Interest on FITL, if any till date. These CCPS were to be converted in Equity Shares but due to restraint by High Court Order dated 29th September, 2015 from altering Capital Structure, the same could not be converted.
Pursuant to the scheme of CDR, the company has allotted total 540,30,848 nos. of equity shares of Rs. 10/- each at a premium of Rs. 265.92 per equity shares to the CDR lenders towards conversion of the Funded interest Term Loan (FITL) / Interest on FITL till date.
- The company has one identifiable, reportable segment, namely Construction of Ships and Rigs as per quantitative criteria of Accounting Standard -17 'Segment Reporting' issued by the Institute of Chartered Accountants of India.
- The company follows accounting practice of recognizing revenue under Accounting Standard 7 on the basis of estimated cost, cost so far incurred and estimated profit or loss out of shipbuilding contracts. A technical evaluation of the inventory of Ships and Rigs under construction, the valuation of Work in progress recognized as per AS 7 and for the future foreseeable losses in the current economic scenario, was carried on by the Company. The technical evaluation has been done in phases and is not completed for rigs and certain ships. Adequate provision for estimated future foreseeable losses is provided in the books of accounts.
- During the year, progress of construction of the vessels was affected due to factors such as unavailability of working capital finance resulting into labour issues, reduced production levels at Surat Yards and temporary suspension of operation at Dahej Yard. On account of this, the company is completing the construction of few identified vessels only.
- Loans and advances amounting to Rs. 1739.27 crore are outstanding from related and other parties. The management is of the view that considering the relationship of the company with these parties charging of interest is not expedient. Further in view of the Management even though these outstandings are old, they are considered good and recoverable.
- There are various advances to certain parties that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such parties. The management considers that no provision is required to be done and these are considered good and recoverable.
- The Company had recognised for subsidy under Ship Building Subsidy Scheme in earlier years, out of which subsidy of Rs. 499.65 crores is still receivable as on 31st March, 2016. The receipt of aforesaid Subsidy is dependent upon completion of vessels and compliance with other terms and conditions of the Ship Building Subsidy Scheme of the Government of India. The completion of vessels depends on availability of working capital as well as ship owners capability to make progress payment and to take delivery of these vessels in a depressed shipping market economic scenario. The management is hopeful that it will be able to get funds to complete the vessels and deliver the same.
- The Company has defaulted in repayment of loans and covenants of the CDR scheme of lenders. There has been suspension of operations at Dahej unit and low key operation at Surat unit. and its net worth has eroded. However, the management plans to resume normal activities in the company, and hence the financial statements have been prepared assuming that the company will continue as a going concern. In this respect, the company has approached the bankers and looking for investors to infuse further funds in to the company which is our view may happen in next 12 months even though at this stage we have not received any concrete approval or proposals.
- The company has been constructing shipyard facilities at Dahej shipyard to increase he shipbuilding capacities. Due to financial constraints there has been a prolonged suspension of construction activities. The management considers such suspensions as temporary in nature. The physical condition of these assets under construction is good and further construction would resume on availability of funds. At such time, the management will assess any increase in cost, replacement etc. in view of the management the recoverable amount within the meaning of AS-28 is more than carrying value and as such no amount needs to be recognised in the financial statement as impairment loss.
- The Company has investments in subsidiaries and others amounting to Rs. 220.13 Crores as on the balance sheet date. The investment are long term in nature and there is no diminution in the value of investments. Hence, no adjustment is required to be made to the financial results for diminution.
- The Company has not provided Managerial Remuneration for the managing director after October 2015 as it would then exceed the provision of section 197 read with Schedule V to the Companies Act, 2013.
- Exceptional Items represents Foreign exchange loss and reversal of profit on account of cancellation of Contract/ Invocation of guarantees.
- Figures for the previous year / period have been regrouped and / or reclassified wherever considered necessary. Figures for the quarter ended March 31, 2016 are the balancing figure between audited figure in respect of full financial year and published year to date figure upto the third quarter of the financial year.
- In view of the losses, the Board has decided not to recommend any dividend for the Financial year.

17. Investor Complaints:

Pending at the beginning of the quarter	Nil
Received during the quarter	2
Resolved during the quarter	2
Unresolved at the end of the quarter	Nil

Place: Mumbai
Date :30th May 2016

For and on behalf of the board

Executive Director





NISAR & KUMAR

CHARTERED ACCOUNTANTS

Door No.5/3, D.B.S Mithila Apartments,
Seetha Nagar Main Road,
Nungambakkam, Chennai - 600 033.
Tel: 044 28222230.

Independent Auditor's Report on Standalone Quarterly Financial Results and Year to Date Annual Financial Results of ABG Shipyard Limited pursuant to the Regulation 33 of SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors of ABG Shipyard Limited.

1. We have audited the quarterly financial results of ABG Shipyard Limited ('the Company'), for the quarter ended March 31, 2016 and the Year to Date results for the Period April 1, 2015 to March 31, 2016, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly financial results are the derived figures between the audited figures in respect of the year ended March 31, 2016 and the published year to date figures up to December 31, 2015, being the date of the end of the third quarter of the current financial year. Also the figures upto the end of the third quarter had only been reviewed and not subjected to audit.
2. The financial results for the quarter ended March 31, 2016 have been prepared on the basis of the financial results for the nine month period ended December 31, 2015, the audited annual financial results as at and for the year ended March 31, 2016, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the financial results for the nine month period ended December 31, 2015, which was prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting i.e. AS 25 prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 issued there under and other accounting principles generally accepted in India, our audit of the annual financial results as at and for the year ended March 31, 2016 and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



4. Attention is invited to

- a) Note No.7 to the financial results which details various loans, advances and receivables from related parties. In respect of these loans, advances and receivables the deliverables and receipts are outstanding from a long time. Absence of recoveries from these parties since several years, indicates the existence of material uncertainty that may cast doubt on the recoverability of the loans and advances. As such loans are interest free, and there is no stipulation of repayment date we consider that, prima facie, the terms and conditions of such loans are prejudicial to the interest of the Company. However, in the view of the management no provision is required considering that these entities are related parties and as such the balances are considered good and recoverable by the management. We are unable to comment on the recoverability of loans and advances and ascertain the impact, if any, on the financial results.
- b) Note No. 9 to the financial results, regarding subsidy receivable. The Company had recognised for subsidy in earlier years under Ship Building Subsidy Scheme in earlier years, out of which subsidy of Rs. 499.65 crores is still receivable as on 31st March, 2016. The receipt of aforesaid Subsidy is dependent upon completion of vessels and compliance with other terms and conditions of the Ship Building Subsidy Scheme of the Government of India. In the view of the uncertainty involved with respect to availability of working capital as required for completion of vessels and continuing default in CDR terms as well as low key operations at Surat and no operation at Dahej. Hence, in our view there is a material uncertainty regarding completion of construction of qualifying vessels to enable realization of the subsidy in the near future. The Company has not made provision for the possible impact of the irrecoverability of the same.
- c) Note No. 11 to the financial results. Due to prolonged suspension of construction activities of some of the Plant Assets in Dahej Shipyard facilities, expenses incurred and capitalized so far on those assets, related advances given to suppliers and contractors, the physical condition of these assets under construction require technical evaluation to determine impairments or write off, if any. However, in the view of the management, the suspension of construction activities of these assets is temporary in nature and assets under construction are not obsolete, and the company will be able to resume construction activities in the near future and hence no provision is required to be made. Management further informed us that the recoverable amount of Assets within the meaning of Accounting Standard 28 is more than their carrying value and as such no amount needs to be recognized in the financial results for impairment loss. We have not been able to validate this assertion in the absence of internal exercise or external valuation report of an independent agency and the uncertainty of resumption of future operations/results of operations thereafter. Further, in absence of physical verification of Fixed Assets and capital work in progress at Dahej Shipyard, we are unable to comment on the carrying value of Plant Assets at Dahej Shipyard.
- d) Note No. 10 to the financial results. The Financial results have been prepared assuming that the company will continue as a going concern. The Company has defaulted in repayment of loans and covenants of the CDR scheme of lenders and to statutory authorities. There has been suspension of operations at Dahej unit and low key operation at Surat unit. Further, there are civil and criminal proceedings pending before Judicial Authorities seeking compensations, liquidation of the Company and punishment to Directors/ Officers of the company. The company has suffered recurring losses and its net worth has eroded. All these conditions raise substantial doubt about the Company's ability to continue as a going concern. The Financial results do not include any adjustments that might result from the outcome of this uncertainty.



5. Without qualifying our audit opinion, attention is invited to

- a) Note No. 8 to the financial results which details various advances to certain parties that are outstanding for a long time. In respect of these advances, no materials or services have been received by the company. Reduction of company's activity, aged outstandings, and absence of balance confirmation of outstandings from these parties, indicates the existence of material uncertainty that may cast doubts on the recoverability of these advances or deliverables against the same. However, in the view of the management, no provision is required to be done as such balances are considered good and recoverable.
- b) Note No. 12 to the financial results. The Company has investments in subsidiaries and others amounting to Rs. 220.13 Crores as on the balance sheet date. In the view of the management the investment are long term in nature and there is no diminution in the value of investments and hence, no adjustment made to the financial results for diminution. In absence of availability of the audited financial statements of the investee companies, we are unable to ascertain or quantify whether any provision is required to be made for the impairment of these investments.
- c) Note No. 5 to the financial results. The company follows accounting practice of recognizing revenue under Accounting Standard 7 on the basis of estimated cost, cost so far incurred and estimated profit or loss out of shipbuilding contracts. The cost estimates are done by company and we have relied on the same. A technical evaluation of the inventory of Ships and Rigs under construction, the valuation of Work in progress recognized as per AS 7 and for the future foreseeable losses in the current economic scenario, were carried out by the Company. The technical evaluation has been done in phases and is not completed for rigs and certain ships. Hence, we are unable to comment on further impairment, if any, which may pertain to the values of rigs and certain ships as appearing in books of Accounts as Work in Progress. In the view of the management, adequate provision for estimated future foreseeable losses is provided in the books of accounts.
- d) The company has defaulted in repayment of loans and covenants of CDR schemes of lenders. As regards contingency related to "compensation payable in lieu of Bank Sacrifice" the outcome is materially uncertain and cannot be determined in terms of its monetary impact on the financial results. The Company's Management is of the view that the company is an operative Company and such contingency may not arise.
- e) Loan statements pertaining to certain Loans from some banks and financial institutions representing book balances of Rs 891.99 Crores, have not been received and reconciled. Further, due to pending clarification and confirmation from some banks for certain current/cash credit accounts, entries have not been reconciled. Hence the effect, if any, of such pending reconciliations, on financial results remains unascertained.
- f) Some customers, creditors as well as Statutory Authorities have initiated legal proceedings against the company, which may result in compensation, interest and penalties. The possible impact of the same on financial result cannot be ascertained, pending such outcome.
- g) Note No. 13 to the financial results. The Company has not provided Managerial Remuneration for the managing director after October 2015 as it would then exceed the provision of section 197 read with Schedule V to the Companies Act, 2013.



6. In our opinion and to the best of our information and according to the explanations given to us, except for matters stated in para 4 above, these quarterly financial results as well as the year to date financial results;

- a) have been presented in accordance with the requirements of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, in this regard; and
- b) give a true and fair view of the net loss and other financial information for the quarter ended March 31, 2016 and for the year ended March 31, 2016

For Nisar & Kumar
Chartered Accountants
Firm No. 107117W



M.N.Ahmed
Partner
M. No. 18380



Place of signature: Mumbai
Date: 30th May, 2016