



PDOC/SE/BM/2014 - 15 - 4

August 14, 2014

National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Mumbai – 400 051

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Ref: NSE Scrip ID: PIPAVAVDOC, BSE Scrip Code: 533107

Sub: Outcome of the Board Meeting held on August 14, 2014

Dear Sir/ Madam,

Pursuant to the provisions of Clause 41 and any other applicable provisions of the Listing Agreement, please note that the Board of Directors of Pipavav Defence and Offshore Engineering Company Limited ("the Company"), at its meeting held today i.e. August 14, 2014, *inter alia*, approved the Statement of Standalone Unaudited Results of the Company for the quarter ended June 30, 2014.

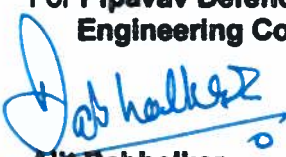
The Unaudited Financial Results in the prescribed format together with Limited Review Report issued by M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors are enclosed herewith. Highlights of the unaudited financial results are as follows:

| Particulars                         | (Rs. in lacs) |            |
|-------------------------------------|---------------|------------|
|                                     | Quarter ended |            |
|                                     | 30.06.2014    | 30.06.2013 |
| Total Income including other income | 32,847.44     | 71,068.45  |
| EBITDA                              | 14,050.14     | 15,111.70  |
| Profit/(Loss) before Tax            | 741.97        | 1,161.15   |

You are requested to take note of the above.

Thanking you.

Yours faithfully,  
For Pipavav Defence and Offshore  
Engineering Company Limited

  
Ajit Dabholkar  
Corporate Counsel & Company Secretary



Encl.: As above.

**PIPAVAV DEFENCE AND OFFSHORE ENGINEERING COMPANY LIMITED**

CIN: L35110GJ1997PLC033193

CORP. OFFICE : SKIL HOUSE, 209 BANK STREET CROSS LANE, FORT, MUMBAI - 400 023, INDIA. TEL : +91 22 6619 9000 FAX : +91 22 2265 9939 / 2269 6022  
REGD. OFFICE / E.O.U. : PIPAVAV PORT, POST UCCHAIYA, VIA-RAJULA, DIST. AMRELI, PIN - 365 560. GUJARAT, INDIA TEL: +91 2794 661000 FAX : +91 2794 661100  
Website : [www.pipavavdoc.com](http://www.pipavavdoc.com)



# Pipavav Defence and Offshore Engineering Company Limited

CIN: L35110GJ1997PLC033193

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

## STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED JUNE 30, 2014

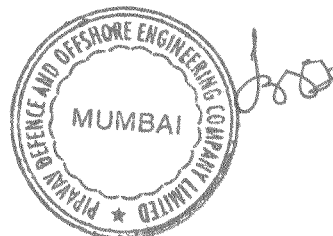
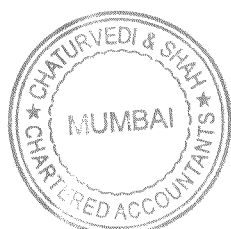
Rs in Laacs except share data

| Sr. No.  | Particulars                                                                            | Standalone                   |                              |                                               |                          |
|----------|----------------------------------------------------------------------------------------|------------------------------|------------------------------|-----------------------------------------------|--------------------------|
|          |                                                                                        | 3 months ended<br>30.06.2014 | 3 months ended<br>31.03.2014 | Corresponding 3<br>months ended<br>30.06.2013 | Year Ended<br>31.03.2014 |
|          |                                                                                        | Unaudited                    | Refer Note No 8              | Unaudited                                     | Audited                  |
| PART - 1 |                                                                                        |                              |                              |                                               |                          |
| 1        | Income from operations                                                                 |                              |                              |                                               |                          |
| (a)      | Net Income from Operations                                                             | 31,553.36                    | 44,910.44                    | 69,928.85                                     | 226,720.63               |
| (b)      | Other Operating Income                                                                 | 93.68                        | 159.09                       | 346.38                                        | 1,178.69                 |
|          | Total Income from operations (net)                                                     | 31,647.04                    | 45,069.53                    | 70,275.23                                     | 227,899.32               |
| 2        | Expenses                                                                               |                              |                              |                                               |                          |
| (a)      | Cost of Materials Consumed                                                             | 1,054.18                     | 2,841.44                     | 8,667.05                                      | 26,665.58                |
| (b)      | Purchase of Stock - in - trade                                                         | 1,804.01                     | 9,334.41                     | 24,478.61                                     | 47,690.56                |
| (c)      | Changes in Inventories of scrap and stock-in-trade                                     | (15.72)                      | 9.01                         | (6,983.55)                                    | 131.72                   |
| (d)      | Employee benefits expenses                                                             | 1,589.97                     | 1,558.65                     | 1,494.94                                      | 5,684.94                 |
| (e)      | Depreciation and amortisation expenses                                                 | 5,038.37                     | 4,219.90                     | 3,950.47                                      | 16,170.40                |
| (f)      | Labour and Fabrication Charges                                                         | 2,965.11                     | 2,968.42                     | 2,362.12                                      | 10,804.67                |
| (g)      | Cost Estimated for Revenue Recognised (Refer Note No. 04)                              | 4,297.44                     | 5,918.20                     | 11,154.56                                     | 28,977.98                |
| (h)      | Other Expenditure                                                                      | 5,901.91                     | 8,425.54                     | 13,989.80                                     | 46,468.49                |
|          | Total Expenses                                                                         | 22,635.27                    | 35,275.57                    | 59,114.00                                     | 182,594.34               |
| 3        | Profit from operations before Other Income, Finance Costs & Exceptional Items (1-2)    | 9,011.77                     | 9,793.96                     | 11,161.23                                     | 45,304.98                |
| 4        | Other Income                                                                           | 1,200.40                     | 1,392.46                     | 793.22                                        | 4,008.31                 |
| 5        | Profit from ordinary activities before Finance Costs and Exceptional Items (3+4)       | 10,212.17                    | 11,186.42                    | 11,954.45                                     | 49,313.29                |
| 6        | Finance Costs                                                                          | 9,470.20                     | 9,587.81                     | 10,793.30                                     | 46,520.81                |
| 7        | Profit from ordinary activities after Finance Costs but before Exceptional Items (5-6) | 741.97                       | 1,598.61                     | 1,161.15                                      | 2,792.48                 |
| 8        | Exceptional Items                                                                      | -                            | -                            | -                                             | -                        |
| 9        | Profit from Ordinary Activities before Tax (7+8)                                       | 741.97                       | 1,598.61                     | 1,161.15                                      | 2,792.48                 |
| 10       | Tax Expense (Including Deferred Tax)                                                   | 185.63                       | 1,468.11                     | 432.95                                        | 1,956.73                 |
| 11       | Net Profit from Ordinary Activities after Tax (9-10)                                   | 556.34                       | 130.50                       | 728.20                                        | 835.75                   |
| 12       | Extraordinary items (Net of Tax Expense)                                               | -                            | -                            | -                                             | -                        |
| 13       | Net Profit for the Period (11-12)                                                      | 556.34                       | 130.50                       | 728.20                                        | 835.75                   |
| 16       | Paid-up Equity Share Capital<br>(Face Value of Rs. 10/- each)                          | 73,620.63                    | 73,620.63                    | 73,620.63                                     | 73,620.63                |
| 17       | Reserves excluding Revaluation Reserves as per audited Balance Sheet of Previous year  |                              |                              |                                               | 160,067.25               |
| 18       | Earnings Per Share (EPS) (* Not Annualised)                                            |                              |                              |                                               |                          |
| (a)      | Basic EPS (Rs.)                                                                        | *0.08                        | *0.02                        | *0.10                                         | 0.11                     |
| (b)      | Diluted EPS (Rs.)                                                                      | *0.08                        | *0.02                        | *0.10                                         | 0.11                     |

### PART - 2

|                                        |                                                                                          |             |             |             |             |
|----------------------------------------|------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| <b>A - PARTICULARS OF SHAREHOLDING</b> |                                                                                          |             |             |             |             |
| 1                                      | Public Shareholding                                                                      |             |             |             |             |
|                                        | - Number of Shares                                                                       | 408,442,046 | 408,442,046 | 408,742,046 | 408,442,046 |
|                                        | - Percentage of Shareholding                                                             | 55.48%      | 55.48%      | 55.52%      | 55.48%      |
| 2                                      | Promoters & Promoter Group Shareholding                                                  |             |             |             |             |
|                                        | <b>a) Pledged / Encumbered</b>                                                           |             |             |             |             |
|                                        | - Number of Shares                                                                       | 326,659,222 | 326,659,222 | 319,359,222 | 326,659,222 |
|                                        | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 99.66%      | 99.66%      | 97.52%      | 99.66%      |
|                                        | - Percentage of shares (as a % of the total share capital of the Company)                | 44.37%      | 44.37%      | 43.38%      | 44.37%      |
|                                        | <b>b) Non-Encumbered</b>                                                                 |             |             |             |             |
|                                        | - Number of Shares                                                                       | 1,105,001   | 1,105,001   | 8,105,001   | 1,105,001   |
|                                        | - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 0.34%       | 0.34%       | 2.48%       | 0.34%       |
|                                        | - Percentage of shares (as a % of the total share capital of the Company)                | 0.15%       | 0.15%       | 1.10%       | 0.15%       |

| Sr.No.                         | Particulars                                    | 3 months ended<br>30.06.2014 |
|--------------------------------|------------------------------------------------|------------------------------|
| <b>B - INVESTOR COMPLAINTS</b> |                                                |                              |
| 01                             | Pending at the beginning of the quarter        | -                            |
| 02                             | Received during the quarter                    | 3                            |
| 03                             | Disposed off during the quarter                | 3                            |
| 04                             | Remaining unresolved at the end of the quarter | -                            |



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

Rs in Lacs

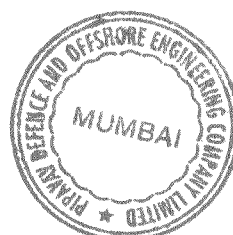
| Particulars                                                     | Standalone                   |                              |                                               |                          |
|-----------------------------------------------------------------|------------------------------|------------------------------|-----------------------------------------------|--------------------------|
|                                                                 | 3 months ended<br>30.06.2014 | 3 months ended<br>31.03.2014 | Corresponding 3<br>months ended<br>30.06.2013 | Year Ended<br>31.03.2014 |
|                                                                 | Unaudited                    | Refer Note No 8              | Unaudited                                     | Audited                  |
| <b>1. Segment Revenue</b>                                       |                              |                              |                                               |                          |
| a) Ship-building & Fabrication                                  | 29,824.67                    | 35,641.83                    | 52,760.22                                     | 179,716.92               |
| b) Trading                                                      | 1,822.37                     | 9,427.70                     | 17,515.01                                     | 48,182.40                |
| <b>Total</b>                                                    | 31,647.04                    | 45,069.53                    | 70,275.23                                     | 227,899.32               |
| Less : Inter-segment Revenue                                    | -                            | -                            | -                                             | -                        |
| <b>Net Income from Operations</b>                               | 31,647.04                    | 45,069.53                    | 70,275.23                                     | 227,899.32               |
| <b>2. Segment Results</b>                                       |                              |                              |                                               |                          |
| (Segment Revenue-Segment Expenses)                              |                              |                              |                                               |                          |
| a) Ship-building & Fabrication                                  | 10,008.79                    | 12,460.55                    | 15,165.36                                     | 49,388.20                |
| b) Trading                                                      | 18.36                        | 93.29                        | 187.27                                        | 491.84                   |
| <b>Total</b>                                                    | 10,027.15                    | 12,553.84                    | 15,352.63                                     | 49,880.04                |
| Less : i) Finance Costs                                         | 9,470.20                     | 9,587.81                     | 10,793.30                                     | 46,520.81                |
| ii) Other unallocable expenditure net off<br>unallocated income | (185.02)                     | 1,367.42                     | 3,398.18                                      | 566.75                   |
| <b>Total Profit Before Tax</b>                                  | 741.97                       | 1,598.61                     | 1,161.15                                      | 2,792.48                 |
| <b>3. Capital Employed</b>                                      |                              |                              |                                               |                          |
| (Segment Assets - Segment Liabilities)                          |                              |                              |                                               |                          |
| a) Ship-building & Fabrication                                  | 754,895.92                   | 754,916.43                   | 662,279.41                                    | 754,916.43               |
| b) Trading                                                      | 20,634.91                    | 22,994.63                    | 19,131.22                                     | 22,994.63                |
| c) Unallocated                                                  | (543,854.99)                 | (544,223.18)                 | (447,830.29)                                  | (544,223.18)             |
| <b>Total</b>                                                    | 231,675.84                   | 233,687.88                   | 233,580.34                                    | 233,687.88               |

Segments have been identified based on the organisational structure, internal management reporting system, nature of production process and infrastructure facilities used. Accordingly the Company has identified two segments within the meaning of Accounting Standard (AS) 17 on Segment Reporting:

- Ship building and Fabrication includes shipbuilding, block manufacturing, ship and rig repairs, fabrication etc. at its SEZ and EOU units situated at Pipavav, Gujarat.
- Trading includes steel trading activities.

**Notes :**

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on August 14, 2014, and approved for release.
- 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.
- The Company has progressed in availing funds out of balance Term Loan tie up in order to achieve progress on continuous basis for its expansion plans.
- In respect of vessels other than commercial vessels, including offshore support vessels, the Company accounts the contract revenue and expenses based on the proportionate completion of contract as certified by technical experts. With an aim to allocate the profit on the said contract to whole of the contract period a provision for proportionate cost to be incurred has been made and charged to profit and loss account as "cost estimated for revenue recognised".
- In respect of Trade Receivables which are outstanding for more than six months, the management is of the view that all the receivables are good and no provision for doubtful debts is required owing to receipts of confirmations and reduction in arrears.
- During the quarter, the Company has revised depreciation rate on all of its fixed assets as per the useful life specified in the Schedule II of the Companies Act, 2013. Based on current estimates, depreciation of Rs. 3,890.90 Lacs on account of assets whose useful life is already exhausted as on 1st April, 2014 and deferred tax of Rs. 1,322.52 Lacs thereon have been adjusted against the retained earnings.
- 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 figures for the quarter ended March 31, 2014 are the balancing figures between audited figures in respect of full financial year ended March 31, 2014 and the year to date figure up to the third quarter of the respective financial year. Previous quarter / year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary, to make them comparable with the current period.



For Pipavav Defence and Offshore  
Engineering Company Limited

*[Signature]*

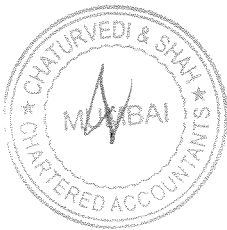
**Bhavesh P. Gandhi**  
Executive Vice Chairman

Place :- Mumbai  
Date :- August 14, 2014

**REVIEW REPORT**

**To**  
**The Board of Directors**  
**Pipavav Defence and Offshore Engineering Company Limited**

1. We have reviewed the accompanying statement of Unaudited financial results of **Pipavav Defence and Offshore Engineering Company Limited** for the Quarter ended 30<sup>th</sup> June, 2014 ("the statement") except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' and details of Investor Complaints which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.
2. We conducted our review of the statement in accordance with the standard on Review Engagement (SRE) 2410, '*Review of Interim financial Information performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Attention is invited to the note no. 5 of the aforesaid results wherein the management has considered the trade receivables outstanding for more than six months as good for recovery and no provision for doubtful debts is required for the reasons mentioned therein.



4. Based on our review conducted as above, read with our comments in Para 3 above, nothing has come to our notice that causes us to believe that the accompanying statement of Unaudited financial results prepared in accordance with Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 which continue to apply as per Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and other recognized accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Reg. No. 101720W



**R. Koria**  
**Partner**  
Membership No. 35629



Place: Mumbai  
Dated: 14<sup>th</sup> August, 2014