

REVIEW REPORT

The Board of Directors

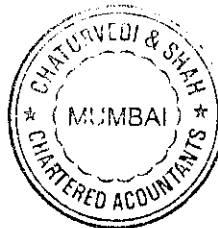
Pipavav Defence and Offshore Engineering Company Limited

1. We have reviewed the accompanying statement of Unaudited financial results of **Pipavav Defence and Offshore Engineering Company Limited** for the quarter ended 30th June, 2011 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 these results based on our review.
2. We conducted our review 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. Based on our review conducted as 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 and other recognized accounting practices and policies 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. Korla
Partner
Membership No. 35629



Place : Mumbai
Dated: 12.08.2011

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Office: 912-913, Tulsiani Chambers, 212, Nariman Point, Mumbai-400 021.

Branches: Ahmedabad • Bangalore • Delhi • Jamnagar • Kolkata

Pipavav Defence and Offshore Engineering Company Limited

(formerly known as Pipavav Shipyard Limited)

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

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2011.

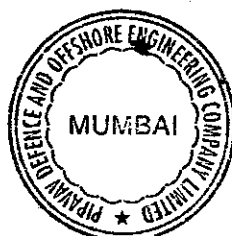
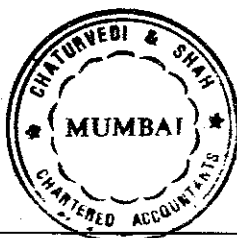
Rs in Lacs Except share data

Sr No	Particulars	Standalone		Standalone
		Quarter Ended		Year Ended
		30.06.2011	30.06.2010	31.03.2011
		Unaudited	Unaudited	Audited
1	Income			
(a)	Net Sales / Income from Operations	33,803.20	17,602.26	85,993.08
(b)	Other Operating Income	30.57	-	768.29
	Total Income	33,833.77	17,602.26	86,761.37
2	Expenditure			
(a)	(Increase) / Decrease in Stock in trade & Work in progress	(1,670.78)	(650.20)	2,235.06
(b)	Consumption of Raw Materials and Components	13,916.11	6,918.29	28,283.20
(c)	Purchase of Traded Goods	8,698.13	1,642.08	25,758.80
(d)	Employees Cost	908.94	628.70	2,739.93
(e)	Cost estimated for Revenue Recognised	(2,093.06)	4,211.66	(3,028.47)
(f)	Depreciation	1,792.87	1,176.80	4,873.26
(g)	Other Expenditure	7,411.08	3,613.90	14,750.69
	Total	28,963.29	17,541.23	75,612.47
3	Profit from operations before Other Income, Interest & Exceptional Items (1 - 2)	4,870.48	61.03	11,148.90
4	Other Income	656.65	1,252.88	5,568.22
5	Profit / (Loss) before Interest and Exceptional Items (3 + 4)	5,527.13	1,313.91	16,717.12
6	Interest and Financial Charges	4,304.13	2,292.89	11,900.63
7	Profit / (Loss) after Interest but before Exceptional Items (5 - 6)	1,223.00	(978.98)	4,816.49
8	Exceptional Items	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7 + 8)	1,223.00	(978.98)	4,816.49
10	Tax Expense			
	- Current Tax	241.70	-	1,161.40
	- MAT Credit Entitlement	(241.17)	-	(1,127.65)
	- Deferred Tax Liability	428.13	-	794.20
	- Income Tax of the Earlier Years	-	-	11.39
11	Net Profit / (Loss) from Ordinary Activities after Tax (9 - 10)	794.34	(978.98)	3,977.15
12	Extraordinary Items (Net of Tax Expenses)	-	-	-
13	Net Profit / (Loss) for the year (11 - 12)	794.34	(978.98)	3,977.15
14	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	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)			
(a)	Basic EPS (Rs.)	0.12	(0.15)	0.60
(b)	Diluted EPS (Rs.)	0.12	(0.15)	0.60
17	Aggregate of Public Share Holding			
	- No. of Shares	366,222,208	367,427,208	366,222,208
	- % of Shareholding	55.00%	55.18%	55.00%
18	Promoter & Promoter Group Shareholding			
	a) Pledged / Encumbered			
	- Number of Shares	298,371,179	133,999,994	298,371,179
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	99.60%	44.91%	99.60%
	- Percentage of shares (as a % of the total share capital of the company)	44.81%	20.13%	44.81%
	b) Non-Encumbered			
	- Number of Shares	1,205,001	164,371,186	1,205,001
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.40%	55.09%	0.40%
	- Percentage of shares (as a % of the total share capital of the company)	0.19%	24.69%	0.19%

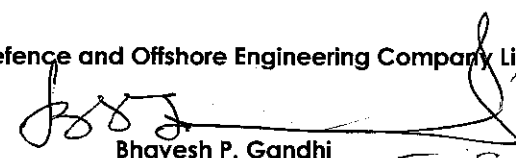
Notes:

- 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 12, 2011, 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 name of the Company has been changed from Pipavav Shipyard Limited to "Pipavav Defence and Offshore Engineering Company Limited" with effect from June 27, 2011.
- 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. 2,898.82 Lacs for the quarter ended June 30, 2011 (Rs. 2,236.71 Lacs for the corresponding quarter ended June 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.
- 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.
- 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.
- 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.
- The Company's activities during the period predominantly revolved around the Shipbuilding, Ship repair and related activities, accordingly there is only one reportable segment.
- There were no complaints pending from investors at the beginning of the quarter, 3 complaints were received and resolved during the quarter ended June 30, 2011 and no complaint was outstanding as on June 30, 2011.

Place :- Mumbai
Date :- August 12th 2011



for Pipavav Defence and Offshore Engineering Company Limited


Bhavesh P. Gandhi
Executive Vice Chairman
DIN - 00030623