

Pipavav Defence and Offshore Engineering Company Limited

CIN: L35110GJ1997PLC033193

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

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

Rs in Lacs except share data

Sr. No.	Particulars	Standalone					
		3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014	6 months ended 30.09.2015	Corresponding 6 months ended 30.09.2014	Year ended 31.03.2015
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Refer note no 6
PART - 1							
1	Income from operations						
(a)	Net Income from Operations	5,165.46	10,628.80	20,817.36	15,794.26	52,370.72	82,402.91
(b)	Other Operating Income	236.59	66.98	397.64	303.57	491.32	697.79
	Total Income from operations (net)	5,402.05	10,695.78	21,215.00	16,097.83	52,862.04	83,100.70
2	Expenses						
(a)	Cost of Materials Consumed	836.47	1,985.47	3,146.03	2,821.94	4,200.21	7,977.65
(b)	Purchase of Stock - in - trade	-	-	1,243.36	-	3,047.37	13,245.55
(c)	Changes in Inventories of scrap and work in progress	(1,515.18)	(713.08)	(86.03)	(2,228.26)	(101.75)	(889.62)
(d)	Employees benefits expense	1,448.52	1,732.40	1,354.45	3,180.92	2,956.76	6,149.57
(e)	Depreciation and amortisation expense	5,384.75	5,321.71	5,102.22	10,706.46	9,872.34	19,744.67
(f)	Labour and Fabrication Charges	1,597.11	2,141.64	2,120.06	3,738.75	5,085.17	9,358.11
(g)	Cost Estimated for Revenue Recognised (Refer Note No. 04)	(1,482.32)	599.70	1,237.86	(882.62)	5,535.30	6,031.03
(h)	Other Expenditure	5,257.21	5,979.62	9,677.50	11,236.83	15,579.41	34,138.07
	Total Expenses	11,526.56	17,047.46	23,795.45	28,574.02	46,174.81	95,755.03
3	Profit / (Loss) from operations before Other Income, Finance Costs & Exceptional Items (1-2)	(6,124.51)	(6,351.68)	(2,580.45)	(12,476.19)	6,687.23	(12,654.33)
4	Other Income	885.93	579.81	414.07	1,465.74	1,614.47	3,107.21
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(5,238.58)	(5,771.87)	(2,166.38)	(11,010.45)	8,301.70	(9,547.12)
6	Finance Costs	11,783.64	11,234.47	10,635.49	23,018.11	20,105.69	45,269.29
7	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(17,022.22)	(17,006.34)	(12,801.87)	(34,028.56)	(11,803.99)	(54,816.41)
8	Exceptional Items	-	-	-	-	-	-
9	Profit / (Loss) from Ordinary Activities before Tax (7+8)	(17,022.22)	(17,006.34)	(12,801.87)	(34,028.56)	(11,803.99)	(54,816.41)
10	Tax Expense (Including Deferred Tax - Credit)	-	(279.28)	(750.06)	(279.28)	(564.43)	(9,071.66)
11	Net Profit / (Loss) from Ordinary Activities after Tax (9-10)	(17,022.22)	(16,727.06)	(12,051.81)	(33,749.28)	(11,239.56)	(45,744.75)
12	Extraordinary items (Net of Tax Expense)	-	-	-	-	-	-
13	Net Profit / (Loss) for the Period (11-12)	(17,022.22)	(16,727.06)	(12,051.81)	(33,749.28)	(11,239.56)	(45,744.75)
14	Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	73,620.63	73,620.63	73,620.63	73,620.63	73,620.63	73,620.63
15	Reserves and Surplus as per Balance Sheet of previous accounting year (Refer Note no 3)	-	-	-	-	-	180,772.85
16	Earnings Per Share (EPS) (* Not Annualised)						
(a)	Basic EPS (Rs.)	* (2.31)	* (2.27)	* (1.64)	* (4.58)	* (1.53)	(6.21)
(b)	Diluted EPS (Rs.)	* (2.31)	* (2.27)	* (1.64)	* (4.58)	* (1.53)	(6.21)

PART - 2

A - PARTICULARS OF SHAREHOLDING

1	Public Shareholding						
	- Number of Shares	425,205,441	425,205,441	408,584,546	425,205,441	408,584,546	425,105,441
	- Percentage of Shareholding	57.76%	57.76%	55.50%	57.76%	55.50%	57.74%
2	Promoters & Promoter Group Shareholding						
	a) Pledged / Encumbered						
	- Number of Shares	311,000,828	311,000,828	326,516,722	311,000,828	326,516,722	309,995,827
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	99.66%	100.00%	99.66%	99.64%
	- Percentage of shares (as a % of the total share capital of the Company)	42.24%	42.24%	44.35%	42.24%	44.35%	42.11%
	b) Non-Encumbered						
	- Number of Shares	-	-	1,105,001	-	1,105,001	1,105,001
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	0.00%	0.00%	0.34%	0.00%	0.34%	0.36%
	- Percentage of shares (as a % of the total share capital of the Company)	0.00%	0.00%	0.15%	0.00%	0.15%	0.15%

Sr No. Particulars 3 months ended 30.09.2015

B - INVESTOR COMPLAINTS

01	Pending at the beginning of the quarter	-
02	Received during the quarter	1
03	Disposed off during the quarter	1
04	Remaining unresolved at the end of the quarter	-



STATEMENT OF ASSETS AND LIABILITIES

Particulars	Standalone	
	As at 30.09.2015	As at 31.03.2015
	Unaudited	Refer note no 6
A EQUITY AND LIABILITIES		
1) Shareholders' Funds		
a) Share Capital	73,620.63	73,620.63
b) Reserves and Surplus	147,049.30	180,772.85
Sub-total - Shareholders' funds	220,669.93	254,393.48
2) Non - Current Liabilities		
a) Long - Term Borrowings	562,980.12	510,172.79
b) Deferred Tax Liabilities (Net)	-	279.28
c) Other Long - Term Liabilities	5,624.21	5,624.21
d) Long - Term Provisions	446.63	405.19
Sub- total - Non - Current Liabilities	569,050.96	516,481.47
3) Current Liabilities		
a) Short Term Borrowings	125,404.14	112,936.75
b) Trade Payables	27,832.20	34,004.41
c) Other Current Liabilities	48,610.15	66,776.81
d) Short - Term Provisions	62,749.47	65,904.44
Sub- total - Current Liabilities	264,595.96	279,622.41
TOTAL - EQUITY AND LIABILITIES	1,054,316.85	1,050,497.36
B ASSETS		
1) Non - Current Assets		
a) Fixed Assets	893,565.46	887,794.37
b) Non-Current Investments	2,087.00	2,087.00
c) Long Term Loans and Advances	35,514.84	34,946.04
Sub- total - Non - Current Assets	931,167.30	924,827.41
2) Current Assets		
a) Inventories	49,079.94	30,710.45
b) Trade Receivables	1,580.36	8,397.81
c) Cash and Bank Balances	17,384.71	22,567.06
d) Short Term Loans and Advances	32,331.41	40,655.15
e) Other Current Assets	22,773.13	23,339.48
Sub- total - Current Assets	123,149.55	125,669.95
TOTAL - ASSETS	1,054,316.85	1,050,497.36



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

Rs in Lacs

Particulars	Standalone					
	3 months ended 30.09.2015	Preceding 3 months ended 30.06.2015	Corresponding 3 months ended 30.09.2014	6 months ended 30.09.2015	Corresponding 6 months ended 30.09.2014	Year ended 31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Refer note no 6
1. Segment Revenue						
a) Ship-building & Fabrication	5,402.05	10,695.78	19,959.38	16,097.83	49,784.05	69,715.95
b) Trading	-	-	1,255.62	-	3,077.99	13,384.75
Total	5,402.05	10,695.78	21,215.00	16,097.83	52,862.04	83,100.70
Less : Inter-segment Revenue	-	-	-	-	-	-
Net Income from Operations	5,402.05	10,695.78	21,215.00	16,097.83	52,862.04	83,100.70
2. Segment Results (Profit before tax & interest from each segment)						
a) Ship-building & Fabrication	(1,698.83)	(3,990.63)	(45.81)	(5,689.46)	10,218.89	(4,087.73)
b) Trading	-	-	12.26	-	30.62	139.20
Total	(1,698.83)	(3,990.63)	(33.55)	(5,689.46)	10,249.51	(3,948.53)
Less : i) Finance Costs	11,783.64	11,234.47	10,635.49	23,018.11	20,105.69	45,269.29
ii) Other unallocable expenditure net off unallocated income	3,539.75	1,781.24	2,132.83	5,320.99	1,947.81	5,598.59
Total Profit Before Tax	(17,022.22)	(17,006.34)	(12,801.87)	(34,028.56)	(11,803.99)	(54,816.41)
3. Capital Employed (Segment Assets - Segment Liabilities)						
a) Ship-building & Fabrication	898,271.49	885,684.35	863,160.55	898,271.49	863,160.55	848,767.07
b) Trading	-	-	3,287.31	-	3,287.31	3,405.37
c) Unallocated	(677,601.56)	(646,353.60)	(571,926.59)	(677,601.56)	(571,926.59)	(597,778.96)
Total	220,669.93	239,330.75	294,521.27	220,669.93	294,521.27	254,393.48

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 Indian Accounting Standard (Ind AS) 108 on Operating Segments:

- 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 November 14, 2015, and approved for release.
- The Statutory auditors of the Company have carried out a Limited Review of the above results
- The Company has voluntarily early adopted Indian Accounting Standards (Ind AS). Accordingly the Company has elected to measure its Plant and Equipments at its fair value and considered it as its deemed cost and has also made adjustment in the value of certain other assets. Consequently, on net basis an amount of Rs. 57,726.19 lacs has been added to the opening Reserve and Surplus. The adoption of Ind AS has also resulted into consequential increased depreciation for the quarter and half year ended 30th September, 2015 by Rs. 1,659.12 Lacs and Rs. 3,304.71 Lacs respectively.
- 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 statement of profit and loss as "Cost Estimated for Revenue Recognised, which is recycled to the statement of profit & loss as and when the cost is actually incurred.
- On March 4, 2015 Reliance Infrastructure Limited together with its wholly owned subsidiary Reliance Defence Systems Private Limited ("the Acquirer") have entered into the agreement with the Company and its existing promoters for acquisition of 17.66% of shareholding of the Company from the existing promoters of the Company and acquiring sole management control in the Company. The process for acquiring 26% of the equity shares of the Company by the acquirer from the existing public shareholders through open offer is in progress.
- In view of the adoption of Ind AS, the corresponding figures for the previous periods as well as for the year ended 31st March, 2015 have been restated/reworked.



for Pipavav Defence and Offshore
Engineering Company Limited

Bhavesh Gandhi
Executive Vice Chairman
DIN: 00030623

Place :- Mumbai
Date :- November 14 2015

INDEPENDENT AUDITORS' REVIEW REPORT

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

1. We have reviewed the accompanying statement of standalone Unaudited Financial Results of **Pipavav Defence and Offshore Engineering Company Limited** for the quarter and half year ended September 30, 2015 ("the statement"), being submitted by the company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, 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. The 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. Our review has been restricted to the figures shown in the column headed "3 months ended 30.09.2015". We have traced the figures shown in the column headed "Preceding 3 months ended 30.06.2015" from the June 30, 2015 published review results and column headed "Corresponding 3 months ended 30.09.2014", "Corresponding 6 months ended 30.09.2014" and "Year ended 31.03.2015" from the information as certified and provided by the management. The figures shown in the column headed "6 months ended 30.09.2015" is the total of column headed "3 months ended 30.09.2015" and column headed "Preceding 3 months ended 30.06.2015".



3. 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 statement is 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.
4. We draw attention to Note No. 3 to the aforesaid financial results, regarding voluntary early adoption of Indian Accounting Standards (Ind AS) by the Company and its consequential impacts on the Reserve & Surplus as well as restatement / rework of corresponding figures of the previous periods and year.
5. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying statement of standalone Unaudited Financial Results prepared in accordance with Ind AS notified pursuant to the Companies (Indian Accounting Standards) Rules, 2015 under section 133 read with section 469 of the Companies Act, 2013 and other recognised 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 Agreements with the Stock Exchanges including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Pathak H.D. & Associates

Chartered Accountants

Firm Reg. No. - 107783W



Anuj Bhatia

Partner

Membership No. - 122179



Place: Mumbai

Date: 14th November, 2015