

ABG

11th February, 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 11th February, 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. 11th February, 2016 have approved the unaudited financial results for the quarter ended 31st December, 2015.

A copy of the results for the quarter ended 31st December, 2015 along with Limited Review Report of the Auditors on the same 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


Hasmukh Daftary
Chief Financial Officer

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



ABG SHIPYARD LIMITED

Registered Office: Near Magdalla Port, Dumas Road, Surat-395007, Gujarat. Email: shipyard@abgindia.com Website: abgindia.com
Corporate Office: 5th Floor, Bhupati Chambers, 13 Mathew Road, Mumbai - 400 004. Tel.:022-66563000 Fax: 022-66223050
CIN: L61200PLCGJ1985007730

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2015

(Rs. in crores)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Sales / Income from Operations	2.00	9.34	30.56	32.22	365.22	385.73
Other Operating Income	-	-	0.19	-	4.99	6.39
Total Income from operations	2.00	9.34	30.75	32.22	370.21	392.12
Expenses:						
a. Cost of Material consumed	18.34	22.09	11.32	57.12	65.70	135.84
b. Purchase of Stock in Trade	-	-	-	-	0.61	0.61
c. Change in inventories of finished goods, Work in progress and stock in trade	(36.13)	170.00	0.66	131.91	101.38	90.97
d. Employees benefit expenses	9.28	11.28	17.44	36.16	48.51	65.45
e. Depreciation and amortisation expenses	20.49	20.51	63.70	61.29	88.07	99.18
f. Other Expenses	1,054.23	67.28	112.76	1,142.98	197.31	390.73
Total Expenses	1,066.21	291.16	205.88	1,429.46	501.58	782.78
Profit from operation before other income, finance cost and exceptional items	(1,064.21)	(281.82)	(175.13)	(1,397.24)	(131.37)	(390.66)
Other Income	0.81	1.08	3.75	2.65	17.42	9.55
Profit from ordinary activities before finance cost & exceptional items	(1,063.40)	(280.74)	(171.38)	(1,394.59)	(113.95)	(381.11)
Finance cost	202.83	197.44	183.37	599.44	586.78	804.78
Profit from ordinary activities after finance cost but before exceptional items	(1,266.23)	(478.18)	(354.75)	(1,994.03)	(700.73)	(1,185.89)
Exceptional Items	-	-	-	-	-	-
Profit from ordinary activities before tax	(1,266.23)	(478.18)	(354.75)	(1,994.03)	(700.73)	(1,185.89)
Tax Expense	-	-	(60.29)	-	(177.89)	(288.19)
Net Profit from Ordinary activities after tax	(1,266.23)	(478.18)	(294.46)	(1,994.03)	(522.84)	(897.70)
Extraordinary items (Net of Tax Expense)	-	-	-	-	-	-
Net Profit for the period	(1,266.23)	(478.18)	(294.46)	(1,994.03)	(522.84)	(897.70)
Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	54.03	54.03	53.52	54.03	53.52	53.84
Reserves and Surplus (excluding Revaluation Reserve)	-	-	-	-	-	453.03
Basic Earning Per Share before extraordinary items (In Rupees)	(235.07)	(88.76)	(52.84)	(370.19)	(97.69)	(172.91)
Diluted Earning Per Share before extraordinary items (In Rupees)	(235.07)	(88.76)	(52.84)	(370.19)	(97.69)	(172.91)
(Not Annualised)						
Basic Earning Per Share after extraordinary items (In Rupees)	(235.07)	(88.76)	(52.84)	(370.19)	(97.69)	(172.91)
Diluted Earning Per Share after extraordinary items (In Rupees)	(235.07)	(88.76)	(52.84)	(370.19)	(97.69)	(172.91)
(Not Annualised)						
PARTICULARS OF SHAREHOLDING						
Public Shareholding						
- Number of Shares	33,190,828	30,565,791	20,539,566	33,190,828	20,539,566	22,253,529
- Percentage of Shareholding	61.43%	56.57%	38.38%	61.43%	38.38%	41.33%
Promoter and Promoter Group Shareholding						
a. Pledged / Encumbered						
- Number of shares	20719674	22,390,711	31511715	20719674	31,511,715	30,116,698
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	99.42%	95.42%	95.54%	99.42%	95.54%	95.35%
-Percentage of shareholding (as a % of total share capital of the company)	38.35%	41.44%	58.88%	38.35%	58.88%	55.94%
b. Non- Encumbered						
- Number of shares	120,346	1,074,346	1,469,342	120,346	1,469,342	1,469,342
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	0.58%	4.58%	4.46%	0.58%	4.46%	4.65%
-Percentage of shareholding (as a % of total share capital of the company)	0.22%	1.99%	2.75%	0.22%	2.75%	2.73%

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 11th February, 2016. The Statutory Auditors have carried out the 'Limited Review' of the results.
- The global shipbuilding industry is passing through a very bad phase with all the major shipyards globally showing huge losses in results declared in recent past. As such, the company's performance is in line with the industry trend.
- During the quarter the company has continued to make efforts to enhance its operations but progress of construction of the vessels was affected due to factors such as unavailability of working capital finance resulting into non availability of required materials, reduced production levels at various yards, etc. On the instruction of the lenders, the company is in the process of completing the pending work on few identified vessels only. Due to such exceptional circumstances, the manufacturing process over the remaining vessels is suspended. Hence overhead absorption over such vessels has also been suspended. Accordingly, overhead and interest absorption had been done only over ongoing vessels resulting in increased losses.
- The company has completed the second phase of evaluation of carrying cost and net realizable value of Work in progress in respect of certain ships under construction, taking into consideration the present economic and shipping industry scenario. On the basis of such evaluation an impairment of Rs.631 crores has been considered in the inventory of Work in Progress. The company is in the process of evaluating remaining Work in Progress of ships and rigs.
- Other expenses include loss on evaluation of inventory amounting to Rs. 631 crores, loss due to settlement of contracts Rs. 356.44 crores and provision towards doubtful advances to erstwhile subsidiary amounting to Rs. 38.25 crores
- Consumption of material for the nine months includes exchange difference due to translation as per AS 11, of Rs 0.14 crores (P.Y. Rs. 46.77 crores)
- The Corporate Debt Restructuring ("the CDR") Package 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. The status of CDR is as follow:
a. Priority debts disbursed till date Rs. 444.05 Crores.



b. 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 to CDR lenders towards conversion of the Funded Interest Term Loan (FITL)/ Interest on FITL, if any, till 31st December, 2015.

c. Pursuant to the scheme of CDR, the company has allotted total 31,09,047 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, if any, till 31st December, 2015.

8. The management is of the view that the company is an operative company and will be able to meet its obligation to lenders as well as customers/creditors. In view of the same, the management considers the company to be a going concern.

9. The company has one identifiable, reportable segment, namely 'Construction of Ships & Rigs' as per quantitative criteria of Accounting Standard -17 'Segment Reporting'.

10. Owing to current year's losses no current tax liability has been provided.

11. Figures for the previous year / period have been regrouped and / or reclassified wherever considered necessary.

12. 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

For ABG Shipyard Limited

Place: Mumbai

Date : 11th February, 2016

(Managing Director)





NISAR & KUMAR

CHARTERED ACCOUNTANTS

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Tardeo, Mumbai - 400 034.
Tel. : 2351 54 14 • Fax : 2351 55 27.
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Website : www.nisarkumar.com

LIMITED REVIEW REPORT

To,
The Board of Directors,
ABG SHIPYARD LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **ABG SHIPYARD LIMITED (the company)** for the quarter and nine months ended 31st December, 2015 ("the Statement"). 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 financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. On the basis of review of the unaudited financial results, we report that:

Emphasis of Matter

- a. *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;*
- b. *Loan statements pertaining to certain Loans have not been received / reconciled and due to pending clarification from banks for certain current/cash credit accounts, entries have not been reconciled, hence the effect, if any, of the pending reconciliation on financial results remains unascertained;*



- c. *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.*
- d. *The company has completed second phase of evaluation of carrying cost and net realizable value of work in progress in respect of certain ships under construction, taking into consideration the present economic and shipping and shipbuilding industry scenario. On the basis of such evaluation an impairment of Rs 631 crores has been considered in the inventory of Work in progress.*
The company is in the process of evaluating remaining Work in Progress of ships and rigs.
- e. *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 December, 2015. 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 view of the uncertainty involved with respect to availability of working capital as required for completion of vessels, we are unable to comment on the recoverability or otherwise of the aforementioned subsidy receivable amounting to Rs. 499.65 crores . Therefore, the possible impact of the same on the financial results cannot be ascertained.*
- f. *The Company has receivables from, and had given interest free loans and advances to its related parties which are long outstanding. In opinion of the management the amounts are recoverable, despite delays in recoveries, hence no provision for non recoverability of receivables, loans and advances given is made by the company in the financial results of the company.*
- g. *The Company had given advances to suppliers. In respect of these advances the deliverables and receipts are outstanding since long. In view of the reduction in activity, the material and services could not be called for from the parties. In the view of management, no provision is required to be done as such balances are considered good, hence no provision is made in the financial results of the company.*
- h. *The company has defaulted in repayment of loans and covenants of the CDR scheme of lenders. The Company's ability to continue as going concern depends upon further financing options, execution and completion of contracts.*

Our report is not qualified in respect of the above matters.



4. Based on our review conducted as above, except for the possible effects of the matters described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For NISAR & KUMAR
Chartered Accountants
FRN. 107117W



CA M N AHMED
Partner
M No.018380



PLACE: MUMBAI
DATE : 11th FEBRUARY 2016