

## 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 half year ended 30th September, 2014, prepared by the Company pursuant to the clause 41 of the Listing Agreements with the stock exchanges in India, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been reviewed 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 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. We have only traced the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' in the Statement from the disclosures made by the Management and are, therefore, not expressing a review opinion thereon.
4. On the basis of review of the unaudited financial results, we report that:

### **Emphasis of Matter**

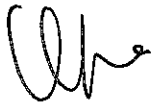
- a. *The company follows accounting practice of recognizing revenue under Accounting Standard 7 on the basis of estimated cost; cost so far incurred and estimated profit out of shipbuilding contract. The cost estimates are done by the management and we have relied on the same;*
- b. *Some secured loan statements have not been received, hence the effect, if any, of the same on financial statement remains unascertained;*
- c. *Internal control systems in relation to timely and proper recording of the expenses transactions need to be strengthened.*

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



5. 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, has not been prepared in accordance with Accounting Standards issued under 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 principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement with the Stock Exchanges 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**

**For GMJ & CO**  
**Chartered Accountants**  
**FRN. 103429W**



**CA ATUL JAIN**  
**Partner**  
**M. No. 037097**

**PLACE: MUMBAI**  
**DATE : 14th November, 2014**

**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 HALF YEAR ENDED 30th SEPTEMBER, 2014**

(Rs. in crores)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Sales / Income from Operations	71	264	374	335	796	1,469
Other Operating Income	3	2	1	5	8	126
<b>Total Income from operations</b>	<b>74</b>	<b>266</b>	<b>374</b>	<b>339</b>	<b>804</b>	<b>1,595</b>
<b>Expenses:</b>						
a. Cost of Material consumed	8	46	451	54	579	1,014
b. Purchase of Stock in Trade	1	-	-	1	-	-
c. Change in inventories of finished goods, Work in progress and stock in trade	45	56	(342)	101	(297)	(288)
d. Employees benefit expenses	16	15	16	31	36	69
e. Depreciation and amortisation expenses	11	13	19	24	44	92
f. Other Expenses	29	56	98	85	181	363
<b>Total Expenses</b>	<b>109</b>	<b>187</b>	<b>242</b>	<b>296</b>	<b>543</b>	<b>1,250</b>
<b>Profit from operation before other income, finance cost and exceptional items</b>	<b>(35)</b>	<b>79</b>	<b>132</b>	<b>44</b>	<b>261</b>	<b>345</b>
Other Income	1	13	1	14	2	40
<b>Profit from ordinary activities before finance cost &amp; exceptional items</b>	<b>(35)</b>	<b>92</b>	<b>133</b>	<b>57</b>	<b>263</b>	<b>385</b>
Finance cost	227	176	131	403	254	609
<b>Profit from ordinary activities after finance cost but before exceptional items</b>	<b>(262)</b>	<b>(84)</b>	<b>2</b>	<b>(346)</b>	<b>8</b>	<b>(224)</b>
Exceptional Items	-	-	-	-	-	72
<b>Profit from ordinary activities before tax</b>	<b>(262)</b>	<b>(84)</b>	<b>2</b>	<b>(346)</b>	<b>8</b>	<b>(296)</b>
Tax Expense	(89)	(29)	1	(118)	3	(97)
<b>Net Profit from Ordinary activities after tax</b>	<b>(173)</b>	<b>(56)</b>	<b>1</b>	<b>(228)</b>	<b>6</b>	<b>(199)</b>
Extraordinary items (Net of Tax Expense)	-	-	-	-	-	-
<b>Net Profit for the period</b>	<b>(173)</b>	<b>(56)</b>	<b>1</b>	<b>(228)</b>	<b>6</b>	<b>(199)</b>
Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	50.92	50.92	50.92	50.92	50.92	50.92
Reserves and Surplus (excluding Revaluation Reserve)	-	-	-	-	-	1,278
Basic Earning Per Share before extraordinary items (In Rupees)	(33.93)	(10.92)	0.26	(44.85)	1.09	(39.14)
Diluted Earning Per Share before extraordinary items (In Rupees) (Not Annualised)	(31.64)	(10.18)	0.26	(41.82)	1.09	(36.50)
Basic Earning Per Share after extraordinary items (In Rupees)	(33.93)	(10.92)	0.26	(44.85)	1.09	(39.14)
Diluted Earning Per Share after extraordinary items (In Rupees) (Not Annualised)	(31.64)	(10.18)	0.26	(41.82)	1.09	(36.50)
<b>PARTICULARS OF SHAREHOLDING</b>						
<b>Public Shareholding</b>						
- Number of Shares	17,540,744	16,280,744	15,739,744	17,540,744	15,739,744	16,334,744
- Percentage of Shareholding	34.44%	31.97%	30.91%	34.44%	30.91%	32.08%
<b>Promoter and Promoter Group Shareholding</b>						
<b>a. Pledged / Encumbered</b>						
- Number of shares	31511715	32,155,002	25019002	31511715	25019002	31,605,002
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	94.40%	92.82%	71.11%	94.40%	71.11%	91.38%
-Percentage of shareholding (as a % of total share capital of the company)	61.88%	63.15%	49.13%	61.88%	49.13%	62.07%
<b>b. Non- Encumbered</b>						
- Number of shares	1,869,342	2,486,055	10,163,055	1,869,342	10,163,055	2,982,055
-Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	5.60%	7.18%	28.89%	5.60%	28.89%	8.62%
-Percentage of shareholding (as a % of total share capital of the company)	3.68%	4.88%	19.96%	3.68%	19.96%	5.86%

*Handwritten initials/signature*

ABG Shipyard Ltd.  
STATEMENT OF ASSETS AND LIABILITIES  
PARTICULARS

	Half Year Ended	Year Ended
	30.09.2014	31.03.2014
	Unaudited	Audited
<b>A. EQUITIES AND LIABILITIES :</b>		
1. Shareholders Fund :		
a. Share Capital	134	51
b. Reserves & Surplus	1,083	1,319
	1,217	1,370
2. Share Application money pending allotment	36	-
3. Non Current Liabilities	3,911	2,900
a. Long Term Borrowings	310	427
b. Deferred Tax Liabilities (net)	-	-
c. Other Long-Term Provisions	8	8
c. Long-Term Provisions	4,229	3,336
4. Current Liabilities	2,217	1,977
a. Short term borrowings	873	849
b. Trade Payables	4,347	4,592
c. Other Current Liabilities	64	65
d. Short term Provisions	7,501	7,482
	12,983	12,188
<b>TOTAL EQUITIES AND LIABILITIES</b>		
<b>B. ASSETS</b>		
1. Non Current Assets	2,846	2,830
a. Fixed Assets	224	224
b. Non Current Investments	454	456
c. Long Term loans and Advances	3,524	3,510
2. Current Assets	4,511	4,351
a. Inventories	122	130
c. Trade Receivables	236	183
d. Cash and cash Equivalents	3,930	3,415
e. Short terms Loans and Advances	659	599
f. Other Current Assets	9,459	8,678
	12,983	12,188
<b>TOTAL ASSETS</b>		

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14th November, 2014. The Statutory Auditors have carried out the 'Limited Review' of the results.
- The Company has prepared its financials on stand alone basis.
- As the Company has losses, Deferred Tax Asset at applicable rates has been recognised in accordance with Accounting Standard 22 'Accounting for Taxes on Income'
- The Company has one identifiable, reportable segment, namely Manufacturing as per quantitative criteria of Accounting Standard -17 'Segment Reporting'.
- Due to slowdown in shipping and shipbuilding in global markets, the company faced large orders cancellations. This resulted in shortage of working capital affecting company's performance. The corporate Debt Restructuring scheme implementation has started with releasing of first tranche of Rs. 650 crores (Rs. 295 Crores disbursed till date). The objective of CDR Scheme is to release additional working capital to accelerate ship delivery in next three years.
- Pursuant to scheme of CDR 82867157 0.01 % Compulsorily Convertible Preference Shares (Face Value Rs.10/-) have been issued to lenders towards part repayment of their outstanding balances.
- Figures for the previous year / period have been regrouped and / or reclassified wherever considered necessary.
- 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 : 14th November, 2014

For ABG Shipyard Limited  
(Executive Director)