

**NISAR & KUMAR**

CHARTERED ACCOUNTANTS

A/17-18, Everest Building, Tardeo Rd,
Tardeo, Mumbai - 400 034
Tel : 2351 54 14 • Fax : 2351 55 27
Email : nlsark@vsnl.net

**LIMITED REVIEW REPORT
TO THE BOARD OF DIRECTORS OF ABG SHIPYARD LIMITED**

- 1) We have reviewed the accompanying statement of 'Unaudited Standalone Financial Results' in which are included the results for the period ended December 31, 2011 of ABG Shipyards Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management but have neither been reviewed nor been audited by us. The Statement has been prepared by the Company pursuant to Clause 41 of the Listing Agreement with Stock Exchange in India, which has been initiated by us for the identification purposes. 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 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 misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure 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) *We observe that the Company has not made provision for Mark to market losses on account of currency forward contracts amounting to Rs.20.92 crores. Had the above impact been considered, the profit would have been lesser by the said amount. We have been informed that the Company has firm commitments in foreign exchange as regards both its payables and receivables. The Company has applied the principle of hedge accounting contained in Accounting Standard 30 issued by the Institute of Chartered Accountants of India for its net firm commitment in receivables and payables in foreign exchange. In view of the same, the management has informed that mark to market differences as on December 31, 2011 of Rs 20.92 crores does not have any material impact on the financial statement as the receivables are higher than the payables.*
- 4) 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 thereto.
- 5) Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement of unaudited financial results, prepared in accordance with applicable Accounting Standards notified pursuant to the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other recognised 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 Nisar & Kumar
Chartered Accountants
F.R. No. 107117W

Rachha Anurwal
Partner
M. No: 071247

Place: Mumbai

Date: February 14, 2012

ABG SHIPYARD LIMITED
Registered Office: Near Magdalla Port, Off: Dumas Road, Surat-365 007
UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 31ST DECEMBER, 2011

Particulars	Quarter Ended			Nine Months Ended		(Rs. In crores)
	31.12.2011	30.09.2011	31.12.2010	31.12.2011	31.12.2010	31.03.2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Net Sales / Income from Operations	610.20	581.01	540.18	1,723.80	1,646.11	2,077.00
Total Income	610.20	581.01	540.18	1,723.80	1,646.11	2,077.00
a. (Increase) / Decrease in Stock	6.97	67.50	55.10	41.87	246.60	274.35
b. Consumption of Raw Materials	310.20	206.48	229.07	849.03	616.01	876.97
c. Employees Cost	20.44	17.20	16.78	56.72	45.83	64.60
d. Other Expenditure	121.64	151.00	100.00	370.68	227.76	301.42
e. Depreciation	25.61	24.38	17.37	72.05	45.00	63.03
Total Expenditure	482.86	467.84	416.32	1,300.00	1,181.20	1,640.38
Profit before other income, interest, exceptional items and tax	126.44	114.07	121.70	333.44	363.81	436.73
Other Income	2.20	0.62	0.03	5.00	3.05	3.95
Profit before interest, exceptional items and tax	128.64	114.69	121.73	338.44	366.86	440.68
Interest (net)	61.35	43.37	40.24	131.14	122.43	139.47
Exceptional Items (Loss) / Gain	-	-	-	-	(21.10)	(21.00)
Profit Before Tax	77.29	71.32	81.49	207.30	223.33	280.21
Provision for Taxation						
- Current Tax	15.47	14.33	16.20	41.00	44.51	50.41
- MAT Credit entitlement	-	-	-	-	-	(66.60)
- Deferred Tax	0.01	8.91	10.04	26.00	29.68	87.47
- Earlier year adjustments	6.74	-	1.03	5.74	1.03	1.03
Profit from ordinary activities, after tax	46.47	49.39	63.46	134.81	148.13	188.80
Extraordinary Items (Net of Tax Expense)	-	-	-	-	-	-
Net Profit for the period	46.47	49.39	63.46	134.81	148.13	188.80
Paid-up Equity Share Capital (Face Value of Rs. 10/- each)	60.02	50.92	60.02	60.02	60.02	60.02
Reserves and Surplus (excluding Retention Reserve)	-	-	-	-	-	1,189.81
Basic and Diluted EPS before extraordinary items (In Rupees) (Not Annualised)	0.13	9.50	10.50	28.48	29.00	37.08
Basic and Diluted EPS after extraordinary items (In Rupees) (Not Annualised)	0.13	9.50	10.50	28.48	29.00	37.08
Public Shareholding						
- Number of Shares	1,94,36,207	1,05,16,207	2,01,88,960	1,94,36,207	2,01,88,960	2,00,01,207
- Percentage of Shareholding	30.17%	38.33%	39.05%	30.17%	39.05%	39.28%
Promoter and Promoter Group Shareholding						
a. Pledged / Encumbered						
- Number of shares	-	-	-	-	-	-
- Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	-	-	-	-	-	-
b. Non- Encumbered						
- Number of shares	3,14,85,694	3,14,05,604	3,07,32,841	3,14,85,694	3,07,32,841	3,09,20,604
- Percentage of shareholding (as a % of total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
- Percentage of shareholding (as a % of total share capital of the company)	61.83%	61.67%	60.35%	61.03%	60.35%	60.72%

Notes:

- The above results for the quarter ended 31st December 2011 were reviewed by the Audit Committee of Directors and approved by the Board of Directors at their meeting held on 14th February 2012. The Statutory Auditors have carried out a Limited Review of the results.
 - The Company has prepared its financials on stand alone basis.
 - Taxation is provided under Minimum Alternate Tax (MAT) basis. Credit for MAT entitlement, if any, shall be considered at the year end.
 - The company has one identifiable, reportable segment, namely Manufacturing as per quantitative criteria of Accounting Standard -17 'Segment Reporting' issued by Institute of Chartered Accountants of India.
 - The Company has firm commitments in foreign exchange as regards both its payables and receivables. The company has applied the principle of hedge accounting contained in Accounting Standard 30 issued by the Institute of Chartered Accountants of India for its net firm commitment in receivables and payables in foreign exchange. In view of the same, Mark to Market differences as on 31st December 2011 of Rs 20.62 crores does not have any material impact on the financial statement as the receivables are higher than the payables.
 - An amount of Rs. 25.3 crores has been reduced from sales as well as profit being one time settlement to a long standing client.
 - Figures for the previous year / period have been regrouped and / or reclassified wherever considered necessary.
- B. Inventor Complaints:**
- | | |
|---|-----|
| Pending at the beginning of the quarter | Nil |
| Received during the quarter | 5 |
| Disposed off during the quarter | 5 |
| Unresolved at the end of the quarter | Nil |

For ABG Shipyards Limited
Sd/-
(R S Nakra)
Managing Director

Place: Mumbai
Date: 14th February 2012